



Ka Shui¹⁹⁸⁰

Ka Shui International Holdings Limited
嘉瑞國際控股有限公司

Incorporated in the Cayman Islands with Limited Liability
於開曼群島註冊成立的有限公司

Stock Code 股份代號：822

**Professional
Services**

Come from

**Continuous
Innovation**

專業服務

源自持續創新

Annual Report 2015 年報

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2 CORPORATE INFORMATION 公司資料

DIRECTORS

Executive Directors

Mr. Lee Yuen Fat (*Chairman*)
Dr. Wong Cheong Yiu (*Chief Executive Officer*)
(*appointed on 1 June 2015*)
Mr. Wong Wing Chuen
Mr. Chan Tat Cheong, Alan

Independent Non-Executive Directors

Mr. Sun Kai Lit Cliff BBS, JP
Ir Dr. Lo Wai Kwok SBS, MH, JP
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie
(*formerly known as Kong To Yeung, Frankie*)
(*appointed on 11 May 2015*)
Mr. Yeow Hoe Ann John (*retired on 11 May 2015*)

AUTHORISED REPRESENTATIVES

Mr. Chan Tat Cheong, Alan
Ms. Yam Suk Yee Celia

COMPANY SECRETARY

Ms. Yam Suk Yee Celia

AUDIT COMMITTEE

Mr. Kong Kai Chuen, Frankie
(*formerly known as Kong To Yeung, Frankie*)
Mr. Sun Kai Lit Cliff BBS, JP
Ir Dr. Lo Wai Kwok SBS, MH, JP
Mr. Andrew Look

NOMINATION COMMITTEE

Mr. Sun Kai Lit Cliff BBS, JP
Ir Dr. Lo Wai Kwok SBS, MH, JP
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie
(*formerly known as Kong To Yeung, Frankie*)

REMUNERATION COMMITTEE

Mr. Sun Kai Lit Cliff BBS, JP
Ir Dr. Lo Wai Kwok SBS, MH, JP
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie
(*formerly known as Kong To Yeung, Frankie*)

董事

執行董事

李遠發先生(*主席*)
黃昌耀博士(*行政總裁*)
(*於二零一五年六月一日獲委任*)
黃永銓先生
陳達昌先生

獨立非執行董事

孫啟烈先生BBS,太平紳士
盧偉國博士SBS, MH,太平紳士
陸東先生
江啟銓先生
(*前稱江道揚*)
(*於二零一五年五月十一日獲委任*)
姚和安先生(*於二零一五年五月十一日退任*)

授權代表

陳達昌先生
任淑儀小姐

公司秘書

任淑儀小姐

審核委員會

江啟銓先生
(*前稱江道揚*)
孫啟烈先生BBS,太平紳士
盧偉國博士SBS, MH,太平紳士
陸東先生

提名委員會

孫啟烈先生BBS,太平紳士
盧偉國博士SBS, MH,太平紳士
陸東先生
江啟銓先生
(*前稱江道揚*)

薪酬委員會

孫啟烈先生BBS,太平紳士
盧偉國博士SBS, MH,太平紳士
陸東先生
江啟銓先生
(*前稱江道揚*)

REGISTERED OFFICE

Clifton House, 75 Fort Street
P.O. Box 1350 GT, George Town
Grand Cayman, Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A, 29/F, Tower B, Billion Centre
1 Wang Kwong Road, Kowloon Bay
Kowloon, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

Fenghuang Road East Section
Pinghu Town, Longgang District
Shenzhen, the PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman)
Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre, 183 Queen's Road East
Hong Kong

AUDITOR

RSM Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited
Bank of China (Hong Kong) Limited
Chong Hing Bank Limited

WEBSITE

www.kashui.com

註冊辦事處

Clifton House, 75 Fort Street
P.O. Box 1350 GT, George Town
Grand Cayman, Cayman Islands

香港主要營業地點

香港九龍
九龍灣宏光道1號
億京中心B座29樓A室

中華人民共和國(「中國」) 主要營業地點

中國深圳市
龍崗區平湖鎮
鳳凰路東段

主要股份過戶登記處

Royal Bank of Canada Trust Company (Cayman)
Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港皇后大道東183號
合和中心17樓1712-1716室

核數師

中瑞岳華(香港)會計師事務所

主要往來銀行

香港上海滙豐銀行有限公司
渣打銀行(香港)有限公司
中國銀行(香港)有限公司
創興銀行有限公司

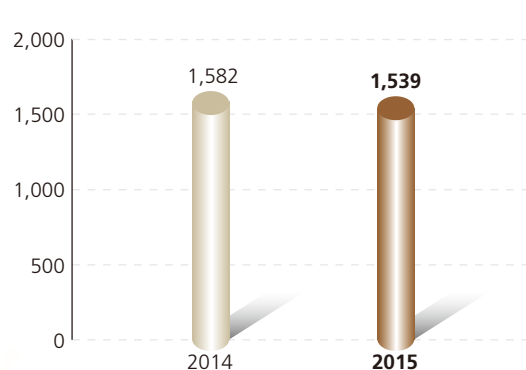
網址

www.kashui.com

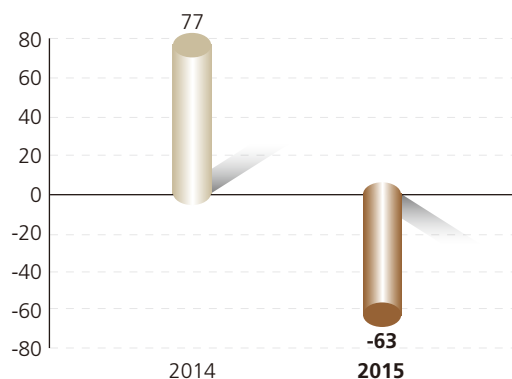
4 FINANCIAL HIGHLIGHTS 財務概要

		2015 HK\$'000	2014 HK\$'000
Revenue	收入	1,539,344	1,582,333
(Loss)/Profit attributable to owners of the Company	本公司權益持有人應佔 (虧損)/溢利	(63,489)	77,246
Basic (loss)/earnings per share (HK cents)	每股基本(虧損)/盈利(港仙)	(7.10)	8.64
Total dividends per share (HK cents)	每股總股息(港仙)	-	1.60
- Interim dividend paid per share (HK cents)	-已付每股中期股息(港仙)	-	-
- Proposed final dividend per share (HK cents)	-建議派發末期股息(港仙)	-	1.60
Dividend payout ratio	派息比率	N/A 不適用	18.5%

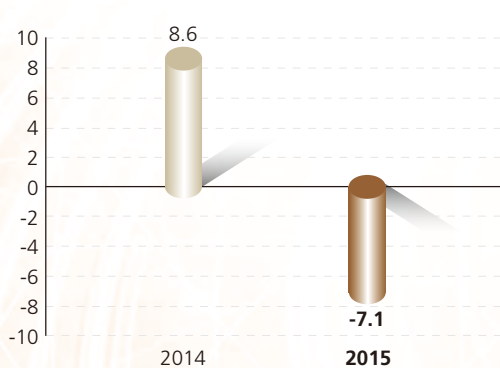
Revenue (HK\$million)
收入 (百萬港元)



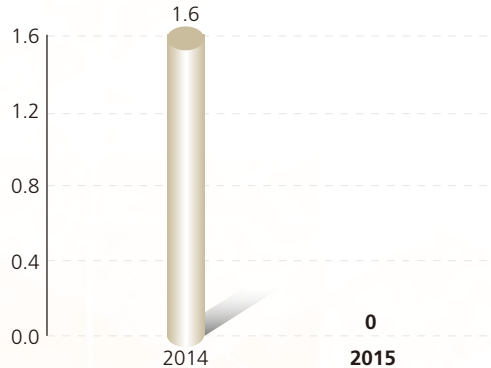
(Loss)/Profit attributable to owners of the Company (HK\$million)
本公司權益持有人應佔(虧損)/溢利(百萬港元)



Basic (loss)/earnings per share (HK cents)
每股基本(虧損)/盈利(港仙)



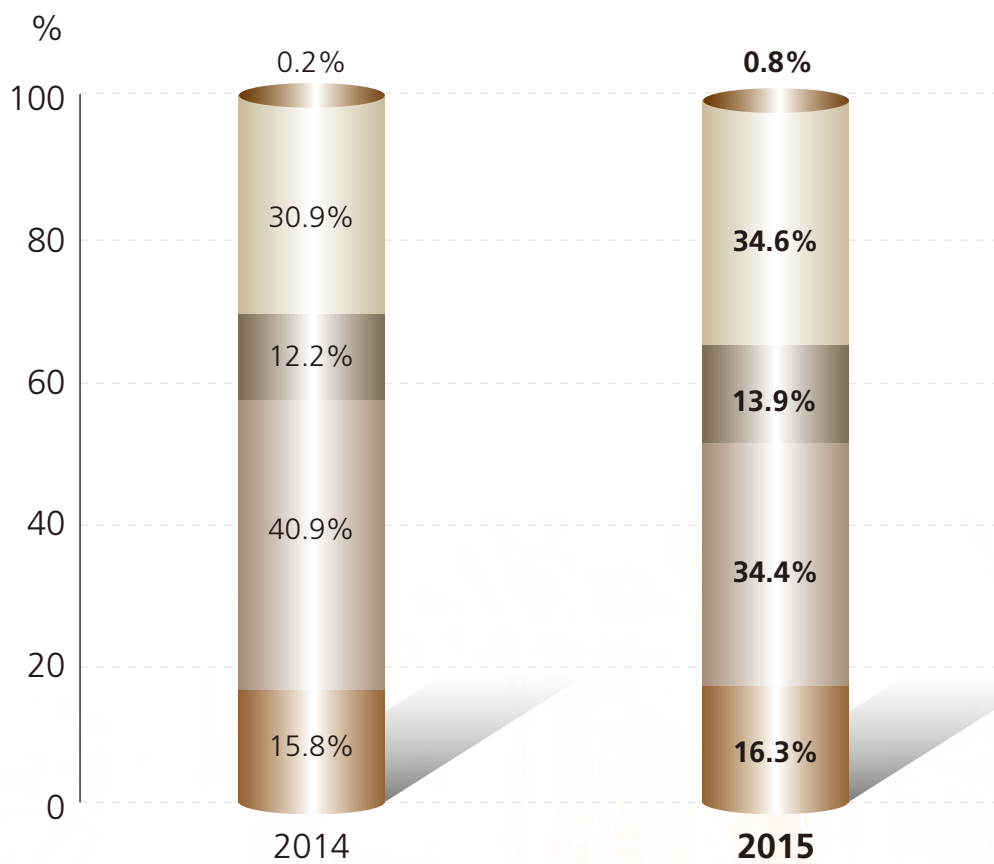
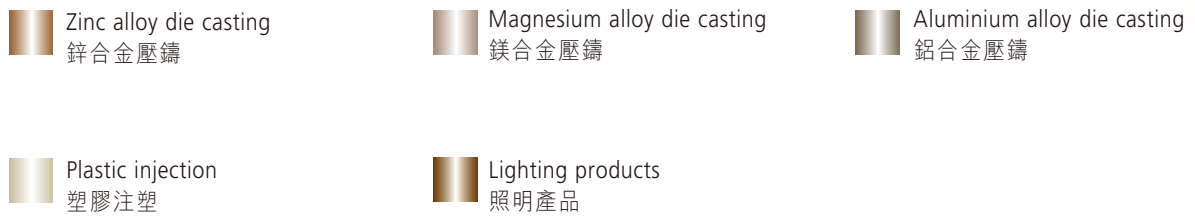
Total dividends per share (HK cents)
每股總股息(港仙)



FINANCIAL HIGHLIGHTS (CONTINUED)

財務概要(續)

Revenue percentage by business segments 按業務分部的收入百分率



KEY INFORMATION FOR SHAREHOLDERS

股東主要資料

FINANCIAL CALENDAR

Announcement of 2015 Annual Results
30 March 2016

Annual General Meeting
13 May 2016

STOCK CODE

822

BOARD LOT

2,000 Shares

INVESTOR RELATIONS

Ms. Yam Suk Yee Celia
Company Secretary
Ka Shui International Holdings Limited
Room A, 29/F, Tower B, Billion Centre
1 Wang Kwong Road, Kowloon Bay
Kowloon, Hong Kong
Tel: (852) 3759 8900
Fax: (852) 2752 8889
Email: celia.yam@kashui.com

財務日誌

二零一五年全年業績公佈
二零一六年三月三十日

股東週年大會
二零一六年五月十三日

股份編號

822

每手股數

2,000股

投資者關係

任淑儀小姐
公司秘書
嘉瑞國際控股有限公司
香港九龍
九龍灣宏光道1號
億京中心B座29樓A室
電話：(852) 3759 8900
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Dear Shareholders,

On behalf of the Board of Directors of Ka Shui International Holdings Limited (the "Company"), I am pleased to present you the audited annual results of the Company and its subsidiaries (collectively "the Group") for the year ended 31 December 2015 (the "Year").

For the year under review, the Group's overall revenue decreased by 2.7% to approximately HK\$1,539,344,000 (2014: HK\$1,582,333,000). The decline was mainly due to the continual slowdown in the global shipment of personal computers (PC) which had a negative impact to the Group's magnesium alloy die casting business. Resulting from the recent fluctuation in the exchange rate of Renminbi, the Group has recorded an unrealised loss on forward foreign exchange contracts of approximately HK\$71,263,000 for the Year. Furthermore, the Group has decided to restructure and consolidate its plasma lighting business which resulted in an asset write-down in this business segment of approximately HK\$22,103,000. These two are fair value and impairment adjustments of the Company's assets for the financial year of 2015 which give rise to a deferred tax asset of HK\$11,735,000 and reversal of deferred tax liabilities of HK\$2,245,000 and result in a reduction of

致各位股東：

本人謹代表嘉瑞國際控股有限公司（「本公司」）董事會，欣然向閣下提呈本公司及其附屬公司（統稱為「本集團」）截至二零一五年十二月三十一日止年度（「本年度」）之經審核全年業績。

於回顧年度，本集團之整體收入相比去年減少2.7%至約1,539,344,000港元（二零一四年：1,582,333,000港元）。收入下跌主要原因是由於個人電腦之全球付運量持續放緩，對本集團鎂合金業務帶來的負面影響。受到近期人民幣匯率波動之影響，本年度集團之遠期外匯合約錄得約71,263,000港元之未實現虧損。此外，本集團已決定重整及縮減其等離子照明業務，導致涉及該業務分部之資產減值約22,103,000港元。此兩項為本公司於本年度之公平值及減值調整，因而產生遞延稅項資產約11,735,000港元及遞延稅項負債回撥約2,245,000港元，及導致本年度本集團之所得稅開支減少約13,980,000港元。因此，本集團最終錄得本公司權益持有人應佔虧

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

approximately HK\$13,980,000 in the Group's income tax expense for the Year. As a result, the Group has eventually recorded a loss attributable to the owners of the Company of approximately HK\$63,489,000 for the Year whereas a profit of HK\$77,246,000 was recorded by the Group for the previous year. Excluding these aforementioned adjustments as well as the under-performing financial performance of the lighting business, the Group has, in fact, recorded a net profit of approximately HK\$49,554,000 from its core business, metal die casting and plastic injection moulding respectively.

During the Year, the Group is pleased to have Dr. Wong Cheong Yiu joining us as our new Chief Executive Officer and Executive Director in June. We believe that Dr. Wong, with his experience in the industry, can lead the Group to turnaround in this challenging period of time. From December 2015 onwards, the Company has implemented a series of business restructuring plans and streamlining measures. The overall cost effectiveness will be reflected in the second half of 2016.

Magnesium alloy die casting business has remained the major revenue contributor for the Group during the Year. We have successfully securing new orders from another two top global computer brands and this has diversified our customer base and created more business growth potential in the near future. Although a slowdown in the global PC shipment has been predicted by the market research undertaken by Gartner, we are confident that our enlarged client portfolio can mitigate the impact of the potential slowdown in the overall PC market. Apart from the usual magnesium alloy die casting material, the Group is in the process of research and development on the application of new materials such as magnesium-lithium alloy and carbon fiber as well as new forming technology such as thixomoulding as a platform for hybrid applications for notebook computer casings. The benefits of using these new materials and forming technologies not only can further reduce the weight of notebook computer casings, but can also offer more product options for our customers. In addition, to further expand its income stream and diversify its business risks, the Group will be actively exploring into the more new applications of magnesium alloy. Energy-saving vehicles will become one of the major focused industries to be developed under the "Made in China 2025" in the 13th Five Year Plan. Due to its unique properties of being light-weight and environmentally friendly, magnesium alloy will go well with the upcoming trend of 'vehicle weight reduction' and gradually become one of the major raw materials in making automobiles. Therefore, the Group has taken the initiative to coordinate and work with various automotive and parts manufacturers to undertake more research and development on rare earth magnesium and aluminium alloys for energy-saving electrical vehicles. With the aforesaid favourable government policies, entering into the automotive sector will soon become one of the major business growth drivers for the Group.

損約63,489,000港元，而本集團截至二零一四年十二月三十一日止年度則錄得77,246,000港元之盈利。撇除上述公平值調整以及照明業務表現欠佳的財務業績，事實上本集團能夠由其核心業務即分別為金屬壓鑄和塑膠注塑錄得約49,554,000港元之純利。

於本年度，本集團很高興黃昌耀博士於六月加入成為本集團新任行政總裁及執行董事。在此充滿挑戰之時期，我們相信黃博士憑其多年在業界之工作經驗，能夠帶領本集團扭轉情況，轉虧為盈。自二零一五年十二月開始，本公司已推行一連串之業務重整計劃及精簡措施。整體成本效益將於二零一六年下半年度反映。

鎂合金壓鑄業務於回顧年度仍然成為本集團主要之收入來源。我們成功獲得另外兩家全球頂尖電腦品牌之新訂單，此能夠擴大我們的客戶基礎及為將來創造更大的業務增長潛力。雖然Gartner所做的市場調查預測全球個人電腦之付運量增長將會放緩，我們有信心客戶組合之擴大可以減輕整體個人電腦市場潛在放緩的影響。除慣常之鎂合金壓鑄材料外，本集團正在研發新材料之應用，例如鎂鋰合金、碳纖及新成型技術如半固態鑄造，作為筆記本電腦外殼混合應用之平台。利用此等新材料及成型技術之優點不但可以進一步減低筆記本電腦外殼之重量，同時亦可提供更多不同產品供客戶選擇予。此外，為了進一步擴大收入來源並分散業務風險，本集團將積極探索鎂合金更多的新應用。節能汽車將成為第十三個五年計劃中「中國製造2025」項下主要的重點產業之一。由於其輕量及環保之獨特性質，鎂合金將可迎合未來「汽車輕量化」的大趨勢，並將逐漸成為汽車製造的主要原材料之一。因此，本集團已主動與各汽車及零件製造商協調及合作，進行更多稀土鎂及鋁合金應用於節能電動汽車上之研發。在上述有利的政府政策下，進入汽車行業快將成為本集團之主要業務增長動力之一。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

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Smartphones have now become the mainstream communication devices and therefore the demand for smartphones and accessories is expected to increase in the coming years. According to the data compiled by the global market research institution, IDC, the total shipment of smartphones in 2015 has reached 1,433,000,000 units, representing an increase of approximately 10.1% when compared with 2014. Industry researchers have also predicted that the global smartphone shipment will even reach 2,034,000,000 units by 2018. Apart from this, the Group believes that a shortened replacement cycle as well as more frequent launch of new smartphones every year will continue to be the driving force for the market demand so we are cautiously optimistic towards the outlook of its plastic injection moulding segment. In order to further exploit such market opportunities, the Group will develop a more versatile product range of plastic cases so as to satisfy the various needs of our customers. As such, more orders would be secured in the forthcoming years.

After a few years of investment in plasma lighting business, the Group has decided to lessen its financial burden sustained from this yet to profit making business. In February 2016, the Group had introduced a new strategic partner to invest and manage this business jointly. The newly injected capital has substantially diluted the Group's shareholding in Topanga from 79.7% to 38.9%. Since then, the Group has become only one of the two major investors and can significantly reduce its future capital and financial outlay to this business. Apart from the plasma lighting business, the Group has also explored LED lighting business for the B2B market in the US, through offering tailor-made and easy-to-assemble LED lighting products and solutions to interior design houses and construction companies mainly for office, industrial and residential markets. It is encouraging to see that this new business has begun to break-even in the fourth quarter of 2015. We believe that the LED business will bring forward a positive financial contribution to the Group very soon.

In order to better control and to execute strategies on the development for Wuhu Lenka Technologies Company Limited ("Wuhu Lenka") in Anhui, the PRC, the Group had acquired the remaining 40% equity interest of Wuhu Lenka from its joint venture partners with completion in July 2015. The purchase consideration was by way of cash in the sum of RMB17,800,000 (equivalent to approximately HKD21,243,000) with reference to the audited net asset value of Wuhu Lenka as at 31 December 2014. Through this acquisition, Wuhu Lenka is now wholly owned and controlled by the Group enabling us to provide stronger logistics and manufacturing support to our technological customers located in Eastern China and to complement the Group's business development in Southern China region. Furthermore, in 2015, the Group had acquired 70% equity interest of Goodly Precision Industrial Limited ("Goodly Precision"), with its plastic moulding production facilities in Suzhou, the PRC and distribution networks, at a consideration of HK\$11,200,000 with certain guarantee on Goodly Precision's financial performance for the year 2015. This acquisition enables the Group's further expansion of its product portfolio and customer base for automotive and precision components related segment. Through this acquisition, the Group had recorded a gain on a bargain purchase of HK\$9,546,000, which was mainly attributable to the immediate cash realisation opportunity offered to the vendor.

智能手機已經成為主流的通信設備，因此在未來幾年智能手機及配件之需求將有望增加。根據全球市場研究機構IDC編制之數據，智能手機在二零一五年的付運量已達到1,433,000,000台，與二零一四年比較增長約10.1%。行業研究人員預測全球智能手機付運量在二零一八年甚至會達到2,034,000,000台。此外，本集團相信短的更換週期以及每年更頻繁推出之新智能手機將繼續成為市場需求的推動力。因此，我們對塑膠注塑業務的前景持謹慎樂觀態度。為了進一步開拓此市場機遇，本集團會開發更多變化之塑膠外殼產品系列以滿足客戶的不同需求。因此，未來將可獲得更多的訂單。

投資於等離子照明業務數年後，本集團決定減輕此未有利潤的業務帶來的財務負擔。在二零一六年二月，本集團已引入了新的戰略合作夥伴共同投資和管理此業務。新投入之資金令本集團於勁量嘉的持股量由79.7%大幅攤薄至38.9%。自此，本集團成為兩個主要投資者其中之一，可以顯著地降低其對此業務之未來資金及財務支出。除等離子照明業務外，本集團在美國B2B市場推動LED業務，透過提供度身訂制及易於組裝之LED照明產品及方案予室內設計和建築公司，主要是辦公室、工業用和住宅市場。鼓舞的是此新業務在二零一五年第四季度已開始達到收支平衡，我們相信此業務將很快為本集團帶來正面之財務貢獻。

為了加強控制及執行發展策略，本集團於二零一五年七月完成從其合資夥伴購入位於中國安徽蕪湖之蕪湖聯嘉工業科技有限公司（「蕪湖聯嘉」）餘下之40%股權。購入代價為以現金支付人民幣17,800,000（相等於約21,243,000港元），此代價乃參考蕪湖聯嘉於二零一四年十二月三十一日之經審核資產淨值而釐定。透過此收購，蕪湖聯嘉現成為本集團全資擁有及控制，有助對其位於中國東部之科技客戶提供更強之物流及製造支援，並補足本集團於南中國之業務發展。此外，於二零一五年，本集團以11,200,000港元之代價及獲得附帶相關財務表現保證收購塑膠注塑生產設施位於中國蘇州及其分銷網絡之卓研精密工業有限公司70%股權，令本集團將可進一步擴展其汽車及精密部件相關業務之產品組合及客戶基礎。透過此收購，本集團錄得議價收購收益9,546,000港元。此議價收購收益主要是來自給予賣方一個即時套現之機會。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

In November 2015, we had our official opening ceremony of “Southern China Magnesium Alloy High-Tech Industrial Base” and “Southern Rare Earth Magnesium Alloy Industrial Application Base” at the Group’s industrial complex in Daya Bay. The two endorsements represent the official recognition of the Group’s leading position in magnesium alloy die casting technologies as well as our sustainable effort on research and development of materials, surface treatment and forming technologies.

In December 2015, the Group was granted the “Learning Enterprises Award” by The Professional Validation Council of Hong Kong Industries. This fully recognizes the Group’s efforts of promoting the all-round development of key talents and building the learning-oriented culture through talent training and continuous innovation.



▲ In November 2015, official opening ceremony of “Southern China Magnesium Alloy High-Tech Industrial Base” and “Southern Rare Earth Magnesium Alloy Industrial Application Base” was held at the industrial complex in Daya Bay

二零一五年十一月，大亞灣工業園舉行「中國南方鎂合金高新技術產業化基地」暨「南方稀土鎂合金產業化應用基地」之正式揭牌儀式

The external business environment in 2016 will be full of challenges and uncertainties. Yet our management is cautiously optimistic towards the Group’s future development. Since late 2015, the Group has embarked on the streamlining of its business operations and management structure together with the implementation of stringent cost control measures. The Group believes that the cost saving benefits will be reflected in 2016. In addition, the Group is ready to embrace the opportunities brought forward by our new customers and business ventures. We will continue to explore new technology trends and new materials, such as the application of carbon fiber for computer and rare earth magnesium and aluminium alloys for automotive components. In addition, diversifying business for products with less seasonal fluctuation will also be one of the Group’s priorities in 2016 so as to better utilize our production capacity all the year round. We have full confidence that we will turnaround in 2016.

於二零一五年十一月，本集團在大亞灣工業園舉行「中國南方鎂合金高新技術產業化基地」暨「南方稀土鎂合金產業化應用基地」之正式揭牌儀式。獲得此兩項殊榮標誌著本集團在鎂合金壓鑄技術之領先地位及與於材料、表面處理及成型技術等方面之研發努力正式獲得確認。

於二零一五年十二月，本集團榮獲由香港工業專業評審局頒發「學習型企業獎」，肯定了本集團在推動核心人才之全面發展以及通過培養人才和不斷創新建立學習為本文化之努力。



▲ In December 2015, the Group was granted the “Learning Enterprises Award” by The Professional Validation Council of Hong Kong Industries

二零一五年十二月，本集團榮獲由香港工業專業評審局頒發「學習型企業獎」

二零一六年之外部經營環境將充滿挑戰和不確定性，但管理層對集團未來的發展持審慎樂觀態度。由二零一五年尾起，本集團已展開精簡其業務營運、管理架構及實行嚴緊之成本控制措施，本集團相信此成本節約的效益將在二零一六年反映。另外，本集團已作好準備迎接新客戶和新業務為我們帶來之機會。本集團將繼續探索新技術趨勢和新材料，如應用碳纖維於電腦及稀土鎂及鋁合金於汽車零部件。此外，為了充分利用其全年之產能，分散業務至較少季節波動之產品也將是本集團於二零一六年之重點工作之一。我們對二零一六年能夠轉虧為盈充滿信心。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

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Finally, I would like to express my sincere gratitude to our shareholders, customers, bankers and suppliers for their continuing support; our fellow board members for their proactive direction; and our management and employees for their dedicated contribution towards the continual progress of the Group.

Lee Yuen Fat
Chairman

Hong Kong, 30 March 2016

最後，本集團之持續進步全靠股東、客戶、銀行及供應商的不斷支持、我們董事會成員同仁的前瞻性指導與及管理層與員工的全情投入。本人對以上人士表示萬分謝意。

李遠發
主席

二零一六年三月三十日，香港

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(A) FINANCIAL REVIEW

For the year ended 31 December 2015, the Group's overall revenue dropped by 2.7% to approximately HK\$1,539,344,000 (2014: HK\$1,582,333,000). The decline was mainly due to the continual slowdown in the global shipment of personal computers which had a negative impact to the Group's magnesium alloy die casting business.

Resulting from the decrease in the Group's overall revenue, gross profit for the year ended 31 December 2015 decreased by 5.8% to HK\$291,981,000 (2014: HK\$310,117,000). The overall gross profit margin also fell slightly from 19.6% in 2014 to 19.0%.

As a result of the recent fluctuation in the exchange rate of Renminbi, the Group has recorded an unrealised loss on forward foreign exchange contracts of approximately HK\$71,263,000 for the year ended 31 December 2015. Furthermore, the Group has decided to restructure and consolidate its plasma lighting business which resulted in an asset write-down in this business segment of approximately HK\$22,103,000. These two are fair value and impairment adjustments of the Company's assets for the financial year of 2015 which give rise to a deferred tax asset of HK\$11,735,000 and reversal of deferred tax liabilities of HK\$2,245,000 and result in a reduction of approximately HK\$13,980,000 in the Group's income tax expense for the year. Resulting from this, the Group has eventually recorded a loss attributable to the owners of the Company of approximately HK\$63,489,000 for the year ended 31 December 2015 whereas a profit of HK\$77,246,000 was recorded by the Group for the previous year. Excluding those aforementioned adjustments as well as the under-performing financial performance of the lighting business, the Group has, in fact, recorded a net profit of approximately HK\$49,554,000 from its core business, metal die casting and plastic injection moulding respectively.

(B) BUSINESS REVIEW

Magnesium alloy die casting business

Due to the continual slowdown in the global shipment of notebook computers, the revenue of the magnesium alloy die casting business for the year ended 31 December 2015 decreased by 18.2% to HK\$529,870,000 (2014: HK\$647,584,000), accounting for 34.4% of the Group's overall revenue (2014: 40.9%). Apart from notebook computer casings, the Group will actively explore the other applications of magnesium alloy, especially in the other favourable 3C (communication, computer and consumer electronics) products and automotive components industries so as to capture the growth potential of this segment.

(A) 財務回顧

於截至二零一五年十二月三十一日止年度，本集團之整體收入相比去年減少2.7%至約1,539,344,000港元（二零一四年：1,582,333,000港元）。收入下跌主要是由於個人電腦之全球付運量持續放緩，對本集團鎂合金壓鑄業務帶來負面影響。

由於本集團整體收入下跌，於截至二零一五年十二月三十一日止年度之毛利下跌5.8%至291,981,000港元（二零一四年：310,117,000港元）。整體毛利率亦由去年之19.6%輕微下降至19.0%。

受到近期人民幣匯率波動之影響，截止二零一五年十二月三十一日止年度集團之遠期外匯合約錄得約71,263,000港元之未實現虧損。此外，本集團已決定重整及縮減其等離子照明業務，導致涉及該業務分部之資產減值約22,103,000港元。此兩項為本公司資產於二零一五年之財政年度之公平值及減值調整，因而產生遞延稅項資產約11,735,000港元及遞延稅項負債回撥約2,245,000港元，及導致本年度本集團之所得稅開支減少約13,980,000港元。因此，本集團於截至二零一五年十二月三十一日止年度最終錄得本公司權益持有人應佔虧損約63,489,000港元，而本集團截至二零一四年十二月三十一日止年度則錄得77,246,000港元之盈利。撇除上述公平值調整以及照明業務表現欠佳的財務業績，事實上本集團能夠由其核心業務即分別為金屬壓鑄和塑膠注塑錄得約49,554,000港元之純利。

(B) 業務回顧

鎂合金壓鑄業務

由於全球筆記本電腦的付運量持續放緩，截至二零一五年十二月三十一日止年度鎂合金壓鑄業務的收入下降18.2%至529,870,000港元（二零一四年：647,584,000港元），佔集團整體收入34.4%（二零一四年：40.9%）。除了筆記本電腦外殼，本集團將積極探索鎂合金之其他應用，尤其是其他有利的3C（通訊、電腦及消費者電子）產品及汽車零部件行業，從而捕捉此業務分部的增長潛力。

Plastic injection moulding business

During the year, the revenue of this business segment had recorded an increase of 9.0% to HK\$532,151,000 (2014: HK\$488,369,000), which accounted for 34.6% (2014: 30.9%) of the Group's overall revenue. The increase was mainly attributable to the acquisition of Goodly Precision Industrial Limited ("Goodly Precision") during the year under review. Goodly Precision is a company engaging in the sale and manufacture of automotive and precision components in plastic. Following the persistent growing market demand for smartphones and accessories as well as the Group's continuous effort in enlarging its plastic injection moulding business, it is expected this business segment will become another major revenue contributor of the Group in the forthcoming future.

Zinc alloy die casting business

As household products are common necessities, which are less sensitive to the overall economic environment, the market demand is relatively stable. During the year, the revenue of zinc alloy die casting business was HK\$250,322,000, which is at a similar level of 2014 (2014: HK\$250,620,000) and accounted for 16.3% of the Group's overall revenue (2014: 15.8%). It is expected that the zinc alloy die casting business will continue to act as a stable revenue contributor for the Group in the coming year.

Aluminium alloy die casting business

The revenue of this business segment for the year ended 31 December 2015 was HK\$213,760,000 (2014: HK\$192,753,000), representing an increase of 10.9% when compared with that of the previous year. The segment's contribution to the Group's overall revenue had increased slightly from 12.2% in 2014 to 13.9% in 2015. It is expected that this business segment will continue to provide a stable income to the Group in the forthcoming future.

Lighting products

During the year under review, the revenue of lighting products business was HK\$13,241,000 (2014: HK\$3,007,000). The increase was mainly derived from the sale of LED lighting products to customers in the United States ("US").

塑膠注塑業務

年內，此業務分部的收入錄得9.0%之增長至 532,151,000港元(二零一四年：488,369,000港元)，佔本集團整體收入34.6%(二零一四年：30.9%)。此增加主要是由於於回顧年度內收購卓研精密工業有限公司(「卓研精密」)。卓研精密為一間從事塑膠汽車及精密零部件生產及銷售之公司。隨著智能手機及配件市場需求持續增長及本集團於擴大其塑膠注塑業務之不斷努力，預期此業務分部於未來將成為本集團另一主要收入貢獻者。

鋅合金壓鑄業務

由於家居用品是基本必需品，對整體經濟環境敏感較低，市場需求相對穩定。於本年度，鋅合金壓鑄業務之收入為 250,322,000 港元，與二零一四年之水平相約(二零一四年：250,620,000港元)，佔本集團整體收入的16.3%(二零一四年：15.8%)。預期鋅合金壓鑄業務將繼續成為本集團來年一個穩定的收入來源。

鋁合金壓鑄業務

截至二零一五年十二月三十一日止年度此業務分部之全年收入為213,760,000港元(二零一四年：192,753,000港元)，與去年相比增加10.9%。此分部對本集團整體收入的貢獻由二零一四年之12.2%增加至二零一五年之13.9%，預計此業務分部將會為本集團繼續提供一個穩定的收入。

照明產品

在回顧年度內，照明產品業務的收入為 13,241,000 港元(二零一四年：3,007,000港元)。此增長主要來自在美國銷售LED照明產品予客戶。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

(C) PROSPECTS

In 2016, the Group will continue to proactively yet cautiously expand and explore across all business segments. For the magnesium alloy die casting business, the Group has become the supplier for another two top global computer brands in 2015 and successfully acquired orders for the first half of 2016. The Group believes that the broadening of its customer portfolio can mitigate the impact of the potential slowdown in the overall personal computer market. Apart from magnesium alloy notebook computer casings, the Group will continue to explore new technology trends and new materials, such as application of carbon fiber for 3C products and rare earth magnesium and aluminium alloys for automotive components. With magnesium alloy's characteristics of being light-weight with superior functional performance, it goes perfectly well with the upcoming trend of "vehicle weight reduction". In view of the global trend towards energy saving and more environmental friendly transport, magnesium alloy is expected to be benefitted from this trend and become one of the core raw materials for the manufacture of transportation vehicles and will replace other materials that are heavier and of higher cost. Meanwhile, China is currently the largest potential market of energy-saving vehicles and the Chinese Government has aimed at accelerating the development of the industry by considering it as one of the major focused industries under the 13th Five-year Plan. The Group believes that being the supplier of automotive components for energy-saving vehicles can capture such enormous market potential and drive the development of this business segment. Moreover, the Group will also strive to focus on the research and development of new magnesium alloys and new production technologies with an aim to further expand its income stream.

(C) 展望

在二零一六年，本集團將繼續以積極及審慎之態度擴展及探索所有業務分部。於鎂合金壓鑄業務方面，本集團在二零一五年已成為另外兩個全球頂級電腦品牌的供應商，並在二零一六年上半年成功獲取訂單。本集團相信擴大其客戶組合可以減輕來自整體個人電腦市場潛在放緩的影響。除鎂合金筆記本電腦外殼外，本集團將繼續探索新技術趨勢和新材料，如應用碳纖維於3C產品及稀土鎂及鋁合金汽車零部件上。憑著重量輕及具有優越功能表現的特性，鎂合金正配合「汽車輕量化」的未來趨勢。鑑於節能及更環保交通之全球趨勢，預期鎂合金將受惠此趨勢及成為製造交通工具之核心原材料之一，並取代較重及成本較高之其他材料。與此同時，目前中國是節能汽車的最具潛力之市場，中國政府確認此乃為第十三個五年計劃中主要重點產業之一，目標為加快行業發展。本集團相信，作為節能汽車零部件之供應商可以捕捉此巨大的市場潛力和推動此業務板塊的發展。再者，本集團致力專注研發新鎂合金及新生產技術，目的是進一步擴大其收入來源。



Meanwhile, the frequent launch of new smartphone models and a shortened replacement cycle will continuously stimulate the demand for smartphones and accessories, thus creating a steadily growing demand for plastic protective cases in the coming years. As such, the Group will leverage on its competitive advantages as a professional one-stop solution provider and prepare itself to satisfy various demands of smartphone protective casings in the market. The Group expects that this segment will continue to be a revenue driver for the Group in the forthcoming future.

During the year under review, the Group has undertaken a few corporate actions to optimise its business structure and to enhance its reach to customers in Eastern China. In order to better control and to execute strategies on the development for Wuhu Lenka Technologies Company Limited (“Wuhu Lenka”) in Anhui, the PRC, the Group had acquired the remaining 40% equity interest of Wuhu Lenka from its joint venture partners with completion in July 2015. The purchase consideration was by way of cash in the sum of RMB17,800,000 (equivalent to approximately HKD21,243,000) with reference to the audited net asset value of Wuhu Lenka as at 31 December 2014. Through this acquisition, Wuhu Lenka is now wholly owned and controlled by the Group. This further enables the Group to provide stronger logistics and manufacturing support to our technological customers located in Eastern China as well as complements the Group’s business development in Southern China region. Furthermore, in 2015, the Group had acquired 70% equity interest of Goodly Precision, with its plastic moulding production facilities in Suzhou, the PRC and distribution networks, at a consideration of HK\$11,200,000 with certain guarantee on Goodly Precision’s financial performance for the year 2015. This acquisition enables the Group’s further expansion of its product portfolio and customer base for automotive and precision components related segment. Through this acquisition, the Group had recorded a gain on a bargain purchase of HK\$9,546,000, which was mainly attributable to the immediate cash realisation opportunity offered to the vendor. On the other hand, after a few years of investment in the plasma lighting business, the Group had decided to lessen its financial burden sustained from this yet to profit making business by introducing a new strategic partner to invest and manage this business jointly in February 2016. This results in a substantial dilution of the Group’s shareholding in Topanga from 79.7% to 38.9%. Since then, the Group has become only one of the two major investors and can significantly reduce its future capital and financial outlay to this business segment. Apart from the plasma lighting business, the Group has also explored opportunities in LED lightings for the B2B market in the US, through offering tailor-made and easy-to-assemble LED lighting products and solutions to interior design houses and construction companies mainly for office, industrial and residential markets. It is encouraging to see that this new business has begun to break-even in the fourth quarter of 2015 and the Group believes that it will have a positive financial impact in the forthcoming year.

與此同時，頻繁推出新的智能手機型號和短的更換週期將不斷刺激智能手機及配件的需求，因此為未來塑料保護外殼製造不斷增長的需求。因此，本集團將憑藉其作為專業一站式解決方案供應商之競爭優勢，作好準備以滿足的智能手機保護外殼市場之各種需求。本集團預計未來此分部將繼續成為本集團收入之動力。

於回顧年度，本集團已進行一些企業行動以優化其業務架構及加強接觸於中國東部之客戶。為了加強控制及執行發展策略，本集團於二零一五年七月從其合資夥伴完成購入位於中國安徽蕪湖之蕪湖聯嘉工業科技有限公司（「蕪湖聯嘉」）餘下之40%股權。購入代價為以現金支付人民幣17,800,000（相等於約21,243,000港元），此代價乃參考蕪湖聯嘉於二零一四年十二月三十一日之經審核資產淨值而釐定。透過此收購，蕪湖聯嘉現成為本集團全資擁有及控制，此有助於其位於中國東部之科技客戶提供更強之物流及製造支援，並補足本集團於南中國之業務發展。此外，於二零一五年，本集團以11,200,000港元之代價及獲得附帶相關財務表現保證收購位於中國蘇州塑膠注塑生產設施及其分銷網絡之卓研精密70%股權，令本集團將可進一步擴展其汽車及精密部件相關業務之產品組合及客戶基礎。透過此收購，本集團錄得議價收購收益9,546,000港元。此議價收購收益是主要來自給予賣方一個即時套現之機會。此外，投資於等離子照明業務一段時間後，本集團決定在二零一六年二月透過引入新的戰略合作夥伴共同投資和管理此業務，藉以減輕此未有盈利業務持續帶來的財務負擔。新投入之資本令本集團於勁亮嘉的持股量由79.7%大幅攤薄至38.9%。自此，本集團成為兩個主要投資者其中之一，可以顯著地降低其對此業務之未來資金及財務支出。除等離子照明業務外，本集團亦探索LED照明在美國B2B市場的機會，透過提供度身訂制及易於組裝之LED照明產品及方案予室內設計和建築公司，主要是辦公室、工業用和住宅市場。令人鼓舞的是此新業務已在二零一五年第四季度已開始達到收支平衡，本集團相信此業務來年將帶來正面之財政影響。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The business environment will be very challenging in 2016 due to the general slowdown of China's economic growth which will lead to uncertainties and volatilities to the global economy. However, the Group will continue to develop through innovation and technological advances across different business segments. Looking ahead, the Group will continue to strengthen its research and development capability in new products with a view to expand its business scope. In addition, the Group will continue to optimise its resources allocation and to streamline its business operations with an aim to create synergy for each business segment. With determination and hard work, the Group is ready to face the upcoming challenges, embrace different opportunities ahead and strive to maximise the return for our shareholders.

(D) LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2015, the Group had pledged bank deposits, restricted bank balances as well as bank and cash balances of approximately HK\$267,496,000 (before the reclassification of assets held for sale) (2014: HK\$261,611,000), most of which were either denominated in US dollars, Renminbi or Hong Kong dollars.

Total interest-bearing borrowings of the Group as at 31 December 2015 were all bank loans of approximately HK\$603,587,000 (2014: HK\$549,970,000). All of these borrowings were either denominated in US dollars or Hong Kong dollars to which the interest rates applied were primarily subject to floating interest rate.

As at 31 December 2015, the net gearing ratio (a ratio of the sum of total bank borrowings less pledged bank deposits, restricted bank balances (if any) and bank and cash balances then divided by total equity) of the Group was approximately 45.9% (2014: 33.9%)

As at 31 December 2015, the net current assets of the Group were approximately HK\$54,632,000 (2014: HK\$33,475,000), which consisted of current assets of approximately HK\$872,501,000 (2014: HK\$958,057,000) and current liabilities of approximately HK\$817,869,000 (2014: HK\$924,582,000), representing a current ratio of approximately 1.1 (2014: 1.0).

由於中國經濟增長普遍放緩對全球經濟帶來很多不確定性和波動，二零一六年之營商環境將極具挑戰。然而，本集團將透過於不同業務領域創新及技術突破持續其發展。展望未來，本集團將繼續加強其新產品的研發及拓展能力以擴大其業務範疇。此外，本集團會繼續優化其資源並調配及精簡其業務運營，務求為每個業務分部產生協同效應。憑著決心和努力，本集團已準備好迎接未來的挑戰以及把握前面不同的機遇，致力為我們的股東創造最大的回報。

(D) 流動資金及財務資源

於二零一五年十二月三十一日，本集團擁有已抵押銀行存款、有限制銀行存款和銀行及現金結餘約267,496,000港元（分類為持作銷售資產前）（二零一四年：261,611,000港元），當中大多數以美元、人民幣或港元計值。

本集團於二零一五年十二月三十一日的計息借款全為銀行貸款，總額約為603,587,000港元（二零一四年：549,970,000港元）。該等借款全部以美元或港元計值，所採用的利率主要為浮動利率。

於二零一五年十二月三十一日，本集團的淨借貸比率（以計息借款總和減已抵押銀行存款、有限制銀行存款（如有）和銀行及現金結餘除以權益總額）約為45.9%（二零一四年：33.9%）。

於二零一五年十二月三十一日，本集團流動資產淨值約為54,632,000港元（二零一四年：33,475,000港元），包括流動資產約872,501,000港元（二零一四年：958,057,000港元）及流動負債約817,869,000港元（二零一四年：924,582,000港元），流動比率約為1.1（二零一四年：1.0）。

(E) EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's transactions were conducted in US dollars, Hong Kong dollars or Renminbi. As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between US dollars, Hong Kong dollars and Renminbi. In order to mitigate the risks due to fluctuation of foreign currency exchange rates, the Group had entered into foreign currency forward contracts to manage its foreign currency exposure during the year under review.

(F) CONTINGENT LIABILITIES

As at 31 December 2015, the Group had no material contingent liabilities.

(G) CHARGE ON ASSETS

As at 31 December 2015, the Group's banking facilities were secured by guarantees given by the following assets: (a) pledged bank deposits; (b) a property situated in Hong Kong owned by the Group; (c) guarantee from The Hong Kong Mortgage Corporation Limited; (d) corporate guarantees provided by the Company and certain subsidiaries of the Group; and (e) personal guarantee provided by the former shareholder of a subsidiary.

(H) HUMAN RESOURCES

As at 31 December 2015, the Group had approximately 5,800 full-time employees (2014: 5,000). The Group attributes its success to the hard work and dedication of its staff as a whole, therefore, they are deemed to be the most valuable assets of the Group. In order to attract and retain high caliber staff, the Group provides competitive salary package, including retirement scheme, medical benefit and bonus. The Group's remuneration policy and structure is determined based on market trends, the performance of individual staff as well as the financial performance of the Group. The Group has also adopted a share option scheme and share award scheme as incentive and reward for those qualifying staff who have made contribution to the Group.

The Group provides regular training courses for different level of staff and holds various training programs together with PRC institutes and external training bodies. Apart from academic and technical training, the Group also organizes different kinds of recreational activities, including New Year gathering, various sport competitions and interest groups. The aim is to promote interaction among staff, establish harmonious team spirit and promote healthy lifestyle.

(E) 外匯風險承擔

本集團的大部分交易均以美元、港元或人民幣進行。因此，本集團已注意到美元、港元及人民幣匯率的波動可能引起的潛在外匯風險。為了減低匯率波動引起的風險，本集團已利用遠期外匯合約，以管理本集團於回顧年內的外匯風險。

(F) 或然負債

於二零一五年十二月三十一日，本集團並無任何重大或然負債。

(G) 資產抵押

於二零一五年十二月三十一日，本集團抵押下列資產作為銀行借貸的擔保：(a) 已抵押銀行存款；(b) 本集團擁有的香港物業；(c) 香港按揭證券有限公司發出之擔保；(d) 本公司及本集團某些附屬公司提供之企業擔保；及(e) 附屬公司前股東提供之個人擔保。

(H) 人力資源

於二零一五年十二月三十一日，本集團約有5,800名全職僱員(二零一四年：5,000名)。本集團之成功有賴全體僱員的表現和責任承擔，故此本集團把僱員視作為我們的核心資產。為了吸引及保留優秀員工，本集團提供具競爭力的薪酬，包括退休金計劃、醫療福利和花紅獎賞。本集團之薪酬政策及結構乃根據市場趨勢、個人工作表現以及本集團的財務表現而釐定。本集團亦已採納認購股權計劃及股份獎勵計劃，旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。

本集團定期舉辦多項針對不同階層員工的培訓課程，並與多間國內專上學院及外間培訓機構合辦各種培訓計劃。除學術和技術培訓外，本集團舉辦了不同類型的文娛康樂活動，其中包括新春聯誼活動、各種體育比賽和興趣班等，目的為促進各部門員工之間的關係，建立和諧團隊精神及提倡健康生活。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員

EXECUTIVE DIRECTORS

Mr. Lee Yuen Fat, aged 60, is the Chairman of the Company, an Executive Director of the Company and a director of certain subsidiaries of the Company. Mr. Lee is responsible for the formulation of the overall business strategies of the Group. He has over 30 years of experience in the die casting industry. Mr. Lee holds a master degree in engineering from the Yanshan University. He was conferred an award of Honorary Fellowship and Fellowship of Management and Business Administration by the Professional Validation Council of Hong Kong Industries and is the Vice Chairman of the Professional Validation Council of Hong Kong Industries.

Mr. Lee was one of the founding members and was the Chairman of the Hong Kong Diecasting Association (now become the Hong Kong Foundry Association (the "HKFA")) in 1989. He was elected as the first Chairman of the HKFA and Hong Kong Federation of Innovative Technology and Manufacturing Industries (formerly known as Federation of Hong Kong Machinery and Metal Industries) in 2008 and 2011 respectively. Mr. Lee is also the Joint Chairman of Die Casting Branch of the China Foundry Association, the Deputy Director of the Plasticity Engineering Branch of China Machinery Engineering Association, Vice-Director General of the Guangdong Foundry Industry Association, the Vice-Director General of the Guangdong Mechanical Engineering Association Die Casting Branch and the Vice President of Longgang District General Chamber of Commerce, Shenzhen, the PRC. Mr. Lee is currently a member of Hunan Provincial Committee of the Chinese People's Political Consultative Conference, a member of the Fourth Longgang District Committee of the Chinese People's Political Consultative Conference, Shenzhen, the Deputy Director of Sub-committee 4 on Die Casting of National Technical Committee 54 on Foundry of Standardization Administration of China, the Deputy Secretary General and member of Sub-committee 2 on Metal Hot-forming Branch of National Technical Committee 186 on Foundry Machinery of Standardization Administration of China, the Deputy Director of the Fourth Die Casting Technical Committee, Foundry Institution, Chinese Mechanical Engineering Society and Vice Chairman of the PRD Council of Federation of Hong Kong Industries, Shenzhen Division.

執行董事

李遠發先生，60歲，本公司主席、執行董事及本公司若干附屬公司之董事。李先生負責制定本集團整體業務策略。彼擁有逾30年壓鑄業經驗，持有燕山大學工程碩士學位。此外，李先生獲香港工業專業評審局頒授榮譽院士及工商院士，並擔任副主席一職。

李先生為香港壓鑄學會（現時為香港鑄造業總會）創辦人之一，及後於一九八九年出任該會會長。彼分別於二零零八年及二零一一年被選為香港鑄造業總會和香港創新科技及製造業聯合總會（前稱香港機械金屬業聯合總會）首任會長。李先生現為中國鑄造協會壓鑄分會聯席會長、中國機械工程學會塑性工程分會副主任委員、廣東省鑄造行業協會副理事長、廣東省機械工程學會壓鑄分會副理事長及深圳市龍崗區總商會（工商聯）副會長。李先生現擔任中國人民政治協商會議湖南省委員會委員、中國人民政治協商會議深圳市龍崗區第四屆委員會委員、全國鑄造標準化技術委員會壓力鑄造分技術委員會(SAC/TC54/SC4)副主任委員、全國鑄造機械標準化技術委員會金屬熱成形分技術委員會(SAC/TC186/SC2)委員兼副秘書長、中國機械工程學會鑄造分會第四屆壓鑄技術委員會副主任委員及香港工業總會珠三角工業協會深圳分部副主席。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Dr. Wong Cheong Yiu, aged 62, is the Chief Executive Officer, an Executive Director and a director of certain subsidiaries of the Company. He is primarily responsible for the overall management, as well as supervision of the execution of the overall business strategies of the Group. Dr. Wong holds a doctorate degree in engineering from the University of Warwick and a master degree in business administration from the University of Hull. Dr. Wong was appointed as an Industrial Fellow of the University of Warwick in 2006. He is a retired fellow of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Companies Secretaries and a life associate member of the Chartered Institute of Bankers. Dr. Wong has over 40 years' working experience in Hong Kong and overseas and held various senior positions in different private and publicly listed companies.

Mr. Wong Wing Chuen, aged 54, is an Executive Director of the Company and a director of certain subsidiaries of the Company. Joined the Group in 1988, Mr. Wong is now responsible for the Group's manufacturing activities. Mr. Wong has over 30 years' experience in die design and manufacturing and the die casting industry. He is an Associate of the Professional Validation Council of Hong Kong Industries.

Mr. Chan Tat Cheong, Alan, aged 55, is an Executive Director of the Company. He is primarily responsible for overseeing the Group's accounting and financial affairs. Prior to joining the Group in 2003, Mr. Chan held a senior financial position with a listed company in Hong Kong for over 8 years and has over 25 years' experience in accounting, auditing and financial management. Mr. Chan holds a bachelor degree in accounting and financial analysis from the University of Newcastle Upon Tyne, the United Kingdom. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Sun Kai Lit Cliff BBS, JP, aged 62, was appointed as an Independent Non-executive Director of the Company on 2 June 2007. He is the chairman of the remuneration committee as well as the nomination committee of the Company. Mr. Sun is an associate of the Institute of Industrial Engineers of Ohio and has over 30 years of experience in the household products manufacturing industry. Mr. Sun was appointed the Justice of the Peace in July 2003 and was awarded the Bronze Bauhinia Star by the Hong Kong Government in July 2006. He is a member of the 11th Zhejiang Committee of Chinese People's Political Consultative Conference. He is currently the Honorary President of the Federation of Hong Kong Industries, Honorary Chairman of The Hong Kong Exporters' Association, Honorary Chairman of the Hong Kong Q Mark Council, the Honorary President of the Hong Kong Plastics Manufacturers Association, Chairman of the ICAC Business Ethics Development Committee and

黃昌耀博士，62歲，為本公司之行政總裁、執行董事及本公司若干附屬公司之董事，主要負責本集團的整體管理及監督整體業務策略的執行。黃博士持有英國華威大學工程學博士及赫爾大學工商管理碩士學位，並於2006年獲英國華威大學委任為工業院士。黃博士為英國特許秘書及行政人員學會及香港公司秘書公會退休資深會員和英國特許銀行學會終身會員。黃博士擁有40多年香港和海外的的工作經驗，曾在不同的私人和上市公司擔任要職。

黃永銓先生，54歲，本公司執行董事及本公司若干附屬公司之董事。黃先生於一九八八年加入本集團，現負責本集團之製造業務。黃先生擁有逾30年模具設計與製造及壓鑄業經驗，為香港工業專業評審局的副院士。

陳達昌先生，55歲，本公司執行董事，主要負責監督本集團會計及財務事宜。於二零零三年加入本集團前，陳先生曾在一家香港上市公司擔任高級財務職位逾八年及擁有逾25年會計、審計及財務管理經驗。陳先生持有英國紐卡索大學會計及財務分析學士學位，現為香港會計師公會資深會員及美國執業會計師公會會員。

獨立非執行董事

孫啟烈先生BBS,太平紳士，62歲，於二零零七年六月二日獲委任為本公司獨立非執行董事。彼為本公司薪酬委員會及提名委員會主席。孫先生為美國俄亥俄州工業工程師學會會員，於家居用品製造業擁有逾30年經驗。孫先生於二零零三年七月獲頒太平紳士榮譽，並於二零零六年七月獲香港政府頒發銅紫荊星章。彼為中國人民政治協商會議第十一屆浙江省委員會委員。彼現時為香港工業總會名譽會長、香港出口商會名譽主席、香港優質產品標誌局名譽主席、香港塑膠業廠商會名譽會長、廉政公署香港道德發展諮詢委員會主席及深圳僑商國際聯合會會長。孫先生現為香港聯交所上市之明輝國際控股有限公司的獨立非執行董事及華南城控股

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

the President of Shenzhen Overseas Chinese International Association. Mr. Sun is currently an independent non-executive director of Ming Fai International Holdings Limited and a non-executive director of China South City Holdings Limited, all of which are listed on the Hong Kong Stock Exchange.

Ir Dr. Lo Wai Kwok SBS, MH, JP, aged 63, was appointed as an Independent Non-executive Director of the Company on 2 June 2007. Ir Dr. Lo holds a doctorate degree in engineering, master degrees in engineering and business administration respectively and a bachelor degree in engineering. He is a Chartered Engineer and Fellow of the Hong Kong Institute of Engineers. Ir Dr. Lo was awarded with the “Young Industrial Awards of Hong Kong” and the “Ten Outstanding Young Persons Selection” in 1992, the “Medal of Honour” of the Hong Kong Government in July 2001, and was appointed “Justice of the Peace” of the Hong Kong Government in July 2004. Ir Dr. Lo was awarded the Bronze Bauhinia Star in July 2009 and the Silver Bauhinia Star in July 2015 by the Hong Kong Government respectively.

Ir Dr. Lo is currently a member of the Legislative Council of Hong Kong, representing the Engineering Functional Constituency. He has over 30 years of experience in the electronic and power supply industry. He is an Adjunct Professor of the City University of Hong Kong and an Honourary Professor of the Open University of Hong Kong.

Mr. Andrew Look, aged 51, was appointed as an Independent Non-executive Director of the Company on 16 December 2009. Mr. Look holds a bachelor of commerce degree from the University of Toronto and has over 20 years’ experience in the equity investment analysis of Hong Kong and China stock markets. From 2000 to 2008, Mr. Look served in Union Bank of Switzerland (“UBS”) as the head of Hong Kong research, strategy and product. He was rated as the best Hong Kong strategist and best analyst by the Asiamoney magazine, a leading monthly financial and capital markets publication for corporate and finance readers and investors, in 2001, 2002, 2003, 2005, 2006 and 2007. Mr. Look is currently the managing director and chief investment officer of Look’s Asset Management Limited, a fund management company founded by him in April 2009. Mr. Look is also currently an independent non-executive director of TCL Communication Technology Holdings Limited, Hung Fook Tong Group Holdings Limited, Man Sang Jewellery Holdings Limited and Citic Resources Holdings Limited, all of which are listed on the Hong Kong Stock Exchange.

有限公司的非執行董事。

盧偉國博士SBS, MH,太平紳士，63歲，於二零零七年六月二日獲委任為本公司獨立非執行董事。盧博士持有工程學博士學位、工程及工商管理碩士學位與工程學士學位，並為特許工程師及香港工程師學會資深會員。盧博士為一九九二年「香港青年工業家獎」及「十大傑出青年選舉」與二零零一年七月香港政府「榮譽勳章」的得獎者，更於二零零四年七月獲香港政府委任為「太平紳士」。盧博士分別於二零零九年七月及二零一五年七月獲香港政府頒發銅紫荊星章及銀紫荊星章。

盧博士現為香港立法會議員，代表工程界別。彼於電子及電源供應業積累超過30年經驗。彼於香港城市大學出任兼任教授及於香港公開大學出任榮譽教授。

陸東先生，51歲，於二零零九年十二月十六日獲委任為本公司獨立非執行董事。陸先生持有加拿大多倫多大學商科學士學位，於香港及中國股票市場資產投資分析累積逾二十年經驗。由二零零零年至二零零八年，陸先生於瑞士銀行（「瑞士銀行」）出任香港研究、策略及產品部主管。陸先生曾於二零零一、二零零二、二零零三、二零零五、二零零六及二零零七年獲得《亞洲貨幣》雜誌（一本以企業及財經讀者及投資者為對象之著名財經及資本市場月刊）頒發「最佳策略員」及「最佳分析師」殊榮。陸先生現為Look’s Asset Management Limited（一間由彼於二零零九年四月創立的基金管理公司）之總經理及投資總監。陸先生現時亦為香港聯交所上市公司TCL通訊科技控股有限公司、鴻福堂集團有限公司、民生珠寶控股有限公司及中信資源控股有限公司的獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), aged 52, was appointed as an Independent Non-executive Director of the Company on 11 May 2015. He is the chairman of the audit committee of the Company. Mr. Kong is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Chartered Association of Certified Accountants (the United Kingdom). He is currently the Financial Controller of a private manufacturing company and has accumulated over 25 years' experience in accounting, auditing, corporate finance and project administration mostly from Hong Kong listed companies and multinational business conglomerates. Mr. Kong is also currently an independent non-executive director of Auto Italia Holdings Limited, a company listed on the main board of the Hong Kong Stock Exchange.

SENIOR MANAGEMENT

Ms. Chan So Wah, aged 57, joined the Group in 1999. She is the director of sales and marketing and is primarily responsible for overseeing the sales and marketing activities of the Group. Ms. Chan has over 25 years' experience in sales and marketing and is the sister-in-law of Mr. Lee Yuen Fat.

Mr. Chan Sin Wing, aged 43, joined the Group in 2004 and is the director of enterprise and business development of the Group. He is primarily responsible for overseeing the new business development of the Group. Mr. Chan holds a master degree in industrial engineering and industrial management and a bachelor degree in engineering from the University of Hong Kong. Prior to joining the Group, he worked as a senior consultant of the Hong Kong Productivity Council for over 9 years.

Mr. Wong Wai Chung, Peter, aged 61, joined the Group in 2012 and is the Chief Technology Officer of the Group. He is primarily responsible for overseeing the Group's research and development activities. Mr. Wong holds a bachelor degree in engineering from the McGill University, Canada and has over 30 years' experience in plastic, metal and electronics manufacturing and management.

Mr. Lo Hin Fai, aged 53, joined the Group in 2012 and is currently the director of operations and investment. He is primarily responsible in overseeing the Group's operations, investment, corporate development and capital market financing activities. Mr. Lo holds a MBA degree in Finance, Corporate Accounting and Organization from the University of Rochester, USA. He has over 20 years of experience in banking, corporate finance and investment. Prior to joining the Group, he has served finance, investment and management functions within both financial institution and corporate business, working closely with different multinational and local companies in Asia, covering mergers and acquisitions, equity and project investments.

江啟銓先生(前稱江道揚), 52歲, 於二零一五年五月十一日獲委任為本公司獨立非執行董事。彼為本公司審核委員會主席。江先生是香港會計師公會會員及英國特許公認會計師公會資深會員。彼目前為一家私人製造公司的財務總監及於香港上市公司及國際商業綜合企業累積了超過25年的會計、審計、企業融資及項目管理的經驗。江先生現時亦為香港聯交所上市公司意達利控股有限公司的獨立非執行董事。

高級管理人員

陳素華女士, 57歲, 於一九九九年加入本集團, 為本集團銷售及市場推廣總監, 主要負責監督本集團的銷售及市場推廣工作。陳女士擁有逾25年銷售及市場推廣經驗, 為李遠發先生的弟婦。

陳善榮先生, 43歲, 於二零零四年加入本集團, 為本集團產業及業務拓展總監, 主要負責監督本集團的新業務拓展工作。陳先生持有香港大學工業工程及工業管理碩士學位和工程學士學位。加入本集團前, 陳先生曾任香港生產力促進局高級顧問逾九年。

黃維中先生, 61歲, 於二零一二年加入本集團, 為本集團技術及產業拓展總監, 主要負責監督本集團之研發事項。黃先生持有加拿大麥基爾大學工程學士學位, 並在塑膠、金屬及電子製造及管理方面累積逾30年經驗。

羅顯輝先生, 53歲, 於二零一二年加入本集團, 現為本集團營運及投資總監, 主要負責集團營運、投資、企業發展及資本市場融資事宜。羅先生持有美國羅徹斯特大學工商管理碩士(財務、企業會計及組織)學位, 在銀行、企業財務及投資範疇累積超過20年經驗。加入本集團前, 彼皆於金融機構和企業專事財務、投資及管理工作, 在亞洲地區與不同的跨國公司及當地企業緊密協作, 涵蓋合併收購、股權及項目投資。

DIRECTORS' REPORT

董事會報告

The directors have pleasure in submitting their report together with the audited consolidated financial statements of Ka Shui International Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the manufacture of zinc, magnesium and aluminium alloy die casting, plastic injection products and components and lighting products which are mainly sold to customers engaging in the household products, 3C (communication, computer and consumer electronics) products, automotive parts and lighting products industries. The activities of the subsidiaries are set out in note 20 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 48.

The register of members of the Company will be closed from Tuesday, 10 May 2016 to Friday, 13 May 2016, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 9 May 2016.

The Board does not recommend the payment of final dividend for the year ended 31 December 2015.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2015 is set out in the "Management Discussion and Analysis" on pages 12 to 17 of this annual report.

We are committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. We strive to minimize our environmental impact by saving electricity and encouraging recycle of office supplies and other materials. We pursue this business approach by managing our business prudently and executing management decisions with due care and attention.

The Group has complied with the relevant laws and regulations that have significant impact on the operations of the Group.

董事會欣然提呈嘉瑞國際控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一五年十二月三十一日止年度之董事會報告及經審核綜合財務報表。

主要業務

本集團以生產鋅、鎂及鋁合金壓鑄、塑膠注塑產品及部件及照明產品為主，主要售予從事家居用品、3C(通訊、電腦及消費者電子)產品、汽車零部件及照明產品業的客戶。附屬公司之主要業務載於財務報表附註20。

業績及分派

本集團於年內之業績載於第48頁之綜合損益表內。

本公司將於二零一六年五月十日(星期二)至二零一六年五月十三日(星期五)(包括首尾兩日)暫停辦理股份過戶登記手續，於此期間將不會辦理股份過戶登記。為符合資格出席應屆股東週年大會並於會上投票，所有股份過戶文件連同有關股票及過戶表格須於二零一六年五月九日(星期一)下午四時三十分前送交本公司之香港股份過戶登記分處香港中央證券登記有限公司辦理登記手續，地址為香港皇后大道東183號合和中心17樓1712至1716室。

董事會不建議派付截至二零一五年十二月三十一日止年度之末期股息。

業務回顧

本集團截至二零一五年十二月三十一日止年度之業務回顧分別載於本年報第12至17頁之「管理層討論及分析」等節。

我們關注保護自然資源並致力創建環保型的工作環境。我們透過節約用電及鼓勵回收辦公用品及其他材料，努力降低對環境的影響。本集團審慎管理業務，並盡責專注地執行管理決策，以推動此業務模式。

本集團已遵守對本集團營運構成重大影響之相關法律及法規。

As an innovative high-tech enterprise, the Group is committed to offer one-stop solutions and professional services to meet the various needs of our customers. In addition, we have developed long-standing relationships with a number of our suppliers and take great care to ensure that they share our commitment to quality and ethics.

EMOLUMENT POLICY AND RETIREMENT BENEFITS SCHEME

The Group's emolument policy, including salaries and bonuses, is in line with the local practices where the Company and its subsidiaries operate. The Group has also adopted a share option scheme and share award scheme as incentive and reward for those qualifying staff who have made contribution to the Group. The Remuneration Committee of the Company make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management. It also reviews and determines the terms of remuneration packages, the award of bonuses and other compensation payable to directors and senior management of the Group, having regard to the Group's financial performance, individual performance and comparable market statistics.

The Group has joined a mandatory provident fund scheme ("MPF Scheme") for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The employees of the Company's subsidiaries established in the PRC are members of a state-managed retirement scheme operated by the PRC government. These subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme.

RESERVES

Movements in reserves during the year are set out in the consolidated statement of changes in equity on page 52.

As at 31 December 2015, the Company's reserve available for distribution amounted to approximately HK\$235,132,000 (2014: HK\$248,250,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 19 to the consolidated financial statements.

作為創新及高科技企業，本集團致力提供一站式解決方案及專業服務以迎合我們客戶之不同需求。另外，我們已與多家供應商建立長期的合作關係，並盡力確保其遵守我們對質素及道德的承諾。

薪酬政策及退休福利計劃

本集團之薪酬政策(包括薪金及花紅)符合本公司及其附屬公司經營當地之一般慣例。本集團亦已採納認購股權計劃及股份獎勵計劃，旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。本公司之薪酬委員會就本公司董事及高級管理人員之薪酬政策及架構向董事會推薦意見，並經考慮本集團之財務表現、個人表現及可供比較之市場數據資料，以審閱及釐定本集團董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬。

本集團為所有香港僱員參與強制性公積金計劃(「強積金計劃」)。強積金計劃是根據強制性公積金計劃條例向強制性公積金計劃管理局登記。根據強積金計劃，僱主及僱員在強積金計劃下都須作相應數額之供款，供款率為強積金計劃所界定。本公司於中國成立之附屬公司為一由中國政府營運之國營退休計劃之成員。該等附屬公司需按薪酬成本之一定比率貢獻至該退休計劃。

儲備

本年度內，儲備之變動情況載於第52頁之綜合權益變動表。

於二零一五年十二月三十一日，本公司之可供分派儲備約為235,132,000港元(二零一四年：248,250,000港元)。

物業、機器及設備

本集團物業、機器及設備於本年度內之變動詳情載於綜合財務報表附註19。

DIRECTORS' REPORT (CONTINUED)

董事會報告 (續)

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the percentage of the Group's major customers attributable to the Group's total sales was as follows:

Sales	
– the largest customer	24.4%
– five largest customers combined	71.4%

During the year, the Group purchased less than 30% from its five largest suppliers combined.

None of the directors, their associates or any shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the Group's five largest customers.

FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 December 2015 and assets and liabilities of the Group as at 31 December 2011, 2012, 2013, 2014 and 2015 are set out on page 172.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are shown in note 36 to the financial statements.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme and share award scheme described below, the Group has not entered into any equity-linked agreements during the year.

DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK\$405,000 (2014: HK\$:169,000).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association and the Companies Law of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities of the Company.

主要客戶及供應商

於本年度內，本集團之主要客戶應佔總營業額之百分比如下：

銷售	
– 最大客戶	24.4%
– 五大客戶合計	71.4%

於本年度內，本集團向其五大供應商合計採購少於30%。

概無任何本公司董事、聯繫人士或據董事所知擁有本公司股本5%以上權益之任何股東於本集團首五大客戶擁有權益。

財務概要

本集團於截至二零一五年十二月三十一日止過往五個財政年度之業績以及本集團於二零一一年、二零一二年、二零一三年、二零一四及二零一五年十二月三十一日之資產及負債的概要載於第172頁。

股本

本公司之股本於本年度內之變動詳載於財務報表附註36。

股票掛鈎協議

除下文所述之購股權計劃及股份獎勵計劃外，本集團於年內並無訂立任何股票掛鈎協議。

捐款

於本年度，本集團作出之慈善及其他捐款合共約為405,000港元(二零一四年：169,000港元)。

股份優先購買權

本公司之組織章程細則及開曼群島之公司法中並無股份優先購買權之條文，規定本公司必須按比例發售新股予現有股東。

購買、出售或贖回本公司之上市證券

於本年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

THE BOARD

The directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Lee Yuen Fat ("Mr. Lee") (*Chairman*)
Dr. Wong Cheong Yiu (*Chief Executive Officer*)
(*Appointed on 1 June 2015*)
Mr. Wong Wing Chuen
Mr. Chan Tat Cheong, Alan

Independent non-executive directors

Mr. Sun Kai Lit Cliff BBS, JP
Ir Dr. Lo Wai Kwok SBS, MH, JP
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie
(*formerly known as Kong To Yeung, Frankie*)
(*Appointed on 11 May 2015*)
Mr. Yeow Hoe Ann John
(*Retired on 11 May 2015*)

The biographical details of the directors are set out on pages 18 to 21 of this annual report.

Mr. Yeow Hoe Ann John ("Mr. Yeow") did not seek for re-election at 2015 annual general meeting due to retirement. Therefore, Mr. Yeow would retire from his office as the independent non-executive director of the Company on 11 May 2015 and also cease to be the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company with effect from 11 May 2015.

During the year under review, no director resigned from his office or refused to stand for re-election to his office due to reasons relating to the affairs of the Company.

In accordance with the Company's Articles of Association, Mr. Lee Yuen Fat, Dr. Wong Cheong Yiu, Mr. Wong Wing Chuen, Ir Dr. Lo Wai Kwok SBS, MH, JP and Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie) will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

董事會

於本年度內及截至本報告日期止，本公司之董事為：

執行董事

李遠發先生(「李先生」)(*主席*)
黃昌耀博士(*行政總裁*)
(*於二零一五年六月一日獲委任*)
黃永銓先生
陳達昌先生

獨立非執行董事

孫啟烈先生BBS,太平紳士
盧偉國博士SBS, MH,太平紳士
陸東先生
江啟銓先生
(*前稱江道揚*)
(*於二零一五年五月十一日獲委任*)
姚和安先生
(*於二零一五年五月十一日退任*)

董事之履歷詳情載列於本年報之第18至第21頁。

姚和安先生(「姚先生」)因退休沒有在二零一五年股東週年大會上膺選連任。因此，姚先生於二零一五年五月十一日起退任本公司獨立非執行董事，並由二零一五年五月十一日起停任本公司審核委員會主席、薪酬委員會及提名委員會之成員。

於回顧年度內，概無董事因本公司事務相關的理由辭職或拒絕參選連任。

根據本公司組織章程細則，李遠發先生、黃昌耀博士、黃永銓先生、盧偉國博士SBS, MH, JP及江啟銓先生(前稱江道揚)於即將舉行之股東週年大會上退任，惟彼等均符合資格並願意膺選連任。

DIRECTORS' REPORT (CONTINUED)

董事會報告 (續)

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the directors is currently in force and was in force throughout the financial year.

The Company has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the directors of the Group.

DIRECTORS' SERVICE CONTRACTS

The directors being proposed for re-election at the forthcoming annual general meeting do not have any service contract with the Company which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed under the section headed "Continuing Connected Transactions" set out on pages 34 and 35, there were no transactions, arrangements or contracts of significance, to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the directors and the top five highest paid individuals of the Group are set out in notes 15 and 16 to the consolidated financial statements.

獲准許之彌償條文

為董事訂立之獲准許彌償條文於整個財政年度一直生效且現時正在生效。

本公司於年內辦理董事責任保險及續保有關保險，為本集團董事提供適當保險。

董事之服務合約

擬於即將召開之股東週年大會上膺選連任之董事，概無與本公司訂立本集團不可於一年內毋須賠償(法定補償除外)而終止之服務合約。

董事於交易、安排或重大合約之權益

除列載於第34及第35頁之「持續關連交易」一節所披露者外，本公司、其控股公司、其任何附屬公司或同系附屬公司概無參與訂立本公司董事直接或間接擁有重大權益，而於年內或年終仍屬有效之交易、安排或重大合約。

管理合約

本年度內，本公司並無訂立或進行任何與本公司全部或重要業務有關之管理及行政合約。

董事及五名最高薪酬人士之薪酬

本集團董事及五名最高薪酬人士之薪酬詳情載於綜合財務報表附註15及16。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2015, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing on Securities on the Stock Exchange (the "Listing Rules") were as follows:

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

於二零一五年十二月三十一日，本公司董事及主要行政人員，於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及短倉（包括根據證券及期貨條例該等條文被當作或被視為擁有之任何權益及短倉）；或根據證券及期貨條例第352條須記錄在該條所述登記冊之權益及短倉；或根據聯交所證券上市規則（「上市規則」）上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及短倉如下：

Long Positions in the Shares

股份之長倉

Name of Director 董事姓名	Capacity 身份	Number of Shares 股份數目	Approximate percentage of interest in the Company 佔本公司權益 概約百分比
Executive Directors 執行董事			
Mr. Lee 李先生	Interest in controlled company ⁽¹⁾ 受控制公司權益 ⁽¹⁾	480,000,000	53.71%
	Founder of a discretionary trust ⁽²⁾ 全權信託之創立人 ⁽²⁾	127,980,000	14.32%
Mr. Wong Wing Chuen 黃永銓先生	Beneficial owner 實益擁有人	11,050,000	1.24%
Mr. Chan Tat Cheong, Alan 陳達昌先生	Beneficial owner 實益擁有人	1,147,000	0.13%
Independent Non-Executive Directors 獨立非執行董事			
Mr. Andrew Look 陸東先生	Beneficial owner 實益擁有人	8,800,000	0.98%
Ir Dr. Lo Wai Kwok SBS, MH, JP 盧偉國博士SBS·MH·太平紳士	Beneficial owner 實益擁有人	1,000,000	0.11%

DIRECTORS' REPORT (CONTINUED)

董事會報告 (續)

Notes:

1. Mr. Lee holds the entire issued share capital of PreciseFull Limited ("PreciseFull"). As such, Mr. Lee is deemed to have a controlling interest in PreciseFull and is therefore deemed to be interested in the interests of PreciseFull in the Company.
2. The 127,980,000 shares, in which 77,980,000 shares and 50,000,000 shares are held by Beautiful Crystal Development Limited ("Beautiful Crystal") and Beautiful Colour Assets Limited ("Beautiful Colour") respectively (both companies are wholly-owned by YF Lee Family Trust). YF Lee Family Trust is a discretionary trust set up by Mr. Lee as settlor and UBS TC (Jersey) Limited ("UBS TC") as trustee on 20 February 2014. The discretionary objects are family members of Mr. Lee. Mr. Lee is the settlor of YF Lee Family Trust and is deemed to be interested in the 127,980,000 shares held by Beautiful Crystal and Beautiful Colour under the SFO.

Save as disclosed above, as at 31 December 2015, none of the directors and chief executives of the Company had any interests or short positions in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code in the Listing Rules. In addition, save as disclosed above, at no time during the year ended 31 December 2015 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2015, the following persons, other than the directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

附註：

1. 李先生持有PreciseFull Limited (「PreciseFull」) 全部已發行股本。因此，李先生被視為擁有PreciseFull的控制性權益，並因此視為擁有PreciseFull所持有的本公司權益。
2. 該127,980,000股股份分別由Beautiful Crystal Development Limited (「Beautiful Crystal」) 及 Beautiful Colour Assets Limited (「Beautiful Colour」) 持有77,980,000及50,000,000股股份，此等公司由YF Lee Family Trust全資擁有。YF Lee Family Trust乃由李先生作為信託委託人及UBS TC (Jersey) Limited (「UBS TC」) 作為受託人於二零一四年二月二十日成立之全權信託，其受益對象為李先生之家族成員。李先生作為YF Lee Family Trust之信託委託人，根據證券及期貨條例，彼被視為於Beautiful Crystal及Beautiful Colour總共所持有之127,980,000股股份中擁有權益。

除上文所披露者外，於二零一五年十二月三十一日，概無本公司董事及主要行政人員於本公司及其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有任何根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或短倉(包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益及短倉)；或根據證券及期貨條例第352條須記錄於該條所述之登記冊之權益及短倉；或根據標準守則須知會本公司及聯交所之權益及短倉。此外，除上述披露外，本公司或其任何附屬公司於截至二零一五年十二月三十一日止整年內概無訂立任何安排，令本公司董事或彼等之配偶或未滿十八歲之子女可藉購入本公司或其他法團之股份或債權證而獲益。

主要股東於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

於二零一五年十二月三十一日，下列人士(本公司董事或主要行政人員除外)於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露之權益或短倉，或直接或間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上之權益或短倉，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉：

Long Positions in the Shares

股份之長倉

Name 名稱	Capacity 身份	Number of Shares 股份數目	Approximate percentage of interest in the Company 佔本公司權益 概約百分比
Precisefull	Beneficial owner ⁽¹⁾ 實益擁有人 ⁽¹⁾	480,000,000	53.71%
Beautiful Crystal	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	77,980,000	8.73%
Beautiful Colour	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	50,000,000	5.59%
UBS TC	Trustee ⁽²⁾ 受託人 ⁽²⁾	127,980,000	14.32%

Notes:

附註:

- | | |
|--|--|
| <p>1. Mr. Lee holds the entire issued share capital of Precisefull. As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.</p> <p>2. 77,980,000 shares and 50,000,000 shares are held by Beautiful Crystal and Beautiful Colour respectively (both companies are wholly owned by YF Lee Family Trust). The YF Lee Family Trust is a discretionary trust set up by Mr. Lee as settlor and UBS TC as trustee on 20 February 2014.</p> | <p>1. 李先生持有Precisefull全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此視為擁有Precisefull所持有的本公司權益。</p> <p>2. Beautiful Crystal及Beautiful Colour分別持有77,980,000及50,000,000股股份，此等公司由YF Lee Family Trust全資擁有。YF Lee Family Trust乃由李先生作為信託委託人及UBS TC作為受託人於二零一四年二月二十日成立之全權信託。</p> |
|--|--|

Save as disclosed above, at no time during the year, the directors and the chief executive of the Company were aware of any other persons (other than the directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

除上文所披露者外，於本年度內，本公司董事及主要行政人員並不知悉任何其他人士（本公司董事或主要行政人員除外）於本公司之股份及相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部披露之權益或短倉，或直接及間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上權益，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉。

DIRECTORS' REPORT (CONTINUED)

董事會報告 (續)

SHARE OPTION SCHEME

1. Share Option Scheme of the Company

A share option scheme (the "Share Option Scheme") was adopted pursuant to the written resolutions passed by the shareholders of the Company on 2 June 2007. The purpose of the Share Option Scheme is to provide incentives and rewards to selected eligible persons for their contributions to the Group. The Share Option Scheme will remain valid until 1 June 2017 and each option will be granted at a consideration for HK\$10.

The participants of the Share Option Scheme may include directors, employees, consultants, professionals, customers, suppliers, agents, partners, advisors and contractors of the Group or a company in which the Group holds an interest or a subsidiary of such company.

The maximum number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and under any other share option scheme(s) adopted by the Company must not in aggregate exceed 10% of the aggregate of the shares at the time of listing. In addition, the maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes involving the issue or grant of share options by the Company must not, in aggregate, exceed 30% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the options already granted or to be granted to each participant under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised and outstanding share options) in any 12-month period up to and including the date of such grant should not exceed 1% aggregate of the shares in issue as at the date of such grant. Any grant of further options above this 1% limit shall be subject to approval of the shareholders of the Company at general meetings, with such participant and his associates abstaining from voting.

The total number of shares in respect of which options may be granted under the Share Option Scheme shall be 74,346,600 shares, representing approximately 8.3% of the issued share capital of the Company as at the date of this annual report.

購股權計劃

1. 本公司購股權計劃

一項購股權計劃(「購股權計劃」)於二零零七年六月二日根據本公司股東通過之書面決議案獲採納。購股權計劃旨在向選定人士提供作為彼等對本集團所作出貢獻之獎勵及獎賞。購股權計劃將一直有效至二零一七年六月一日及每一購股權將以代價10港元授出。

購股權計劃之參與者包括本集團或本集團持有權益公司或該公司的附屬公司之董事、僱員、顧問、專業人士、客戶、供應商、代理商、合作伙伴、諮詢人及承辦商。

根據購股權計劃及本公司所採納之其他購股權計劃將予授出之購股權獲悉數行使時可能發行之股份數目，最高不得超過於上市時股份總數之10%。此外，根據購股權計劃及任何涉及發行或授出本公司購股權的購股權計劃已授出但尚未行使或將予行使之購股權獲行使時可能發行之股份數目，合共不得超過本公司不時已發行股本之30%。

根據購股權計劃及本公司所採納之其他購股權計劃向各參與者已授出或將予授出之購股權(包括已行使及尚未行使之購股權)獲行使而於任何12個月期間(包括授予當日)已發行及將予發行之股份總數，不得超過授出日期已發行股份總數之1%。任何進一步授予超過1%上限之購股權必須於股東大會上獲股東批准，而有關參與者及其聯繫人士須放棄投票。

根據購股權計劃可能授出的購股權所涉及的股份總數為74,346,600股，相當於本年報日期本公司已發行股本約8.3%。

The period within which the options must be exercised will be specified by the Board at the time of the offer of grant, and must expire no later than 10 years from the effective date of the Share Option Scheme. There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the Share Option Scheme.

董事會將於授出購股權要約時指明購股權須予行使的期限，必須不遲於購股權計劃生效日期起計十年內屆滿。購股權計劃之條款下並無有關必須持有購股權之最短期限或可行使購股權而必須達到之表現目標之一般規定。

The subscription price for any share under the Share Option Scheme will be a price determined by the Board and will be not less than the highest of:

購股權計劃項下股份的認購價將由董事會決定，惟該價格不得低於以下最高者：

- (i) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day;
- (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant option; and
- (iii) the nominal value of a share on the date of the grant.

- (i) 授出有關購股權日期(須為營業日)聯交所每日報價表所列股份收市價；
- (ii) 緊接授出有關購股權日期前五個營業日聯交所每日報價表所列股份平均收市價；及
- (iii) 授出日期股份之面值。

On 13 March 2008, the Company granted 20,102,000 share options to the Group's employees under the Share Option Scheme at an exercise price of HK\$0.415 per share. A summary of movements of share options of the Company during the year is set out as below:

於二零零八年三月十三日，本公司根據購股權計劃向本集團僱員授出20,102,000份購股權，行使價為每股0.415港元。於本年度內，本公司購股權之變動概述如下：

Category of Grantee/Name	Date of grant	Exercise Price (HK\$)	Exercise Period	As at 01/01/2015	Number of share options 購股權數目			
					Granted during the year	Exercised during the year	Lapsed/Cancelled during the year	Outstanding as at 31/12/2015
承授人 類別/姓名	授出日期	行使價 (港元)	行使期	於二零一五年 一月一日	於年內 授出	於年內 行使	於年內 失效/註銷	於二零一五年 十二月三十一日 尚未行使
Others 其他								
Employees 僱員	13/03/2008	0.415	13/03/2009– 12/03/2018	40,800	-	-	-	40,800
Employees 僱員	13/03/2008	0.415	13/03/2010– 12/03/2018	20,600	-	-	-	20,600
Employees 僱員	13/03/2008	0.415	13/03/2011– 12/03/2018	40,600	-	-	-	40,600
Total 總數				102,000	-	-	-	102,000

DIRECTORS' REPORT (CONTINUED)

董事會報告 (續)

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. The closing price of the share immediately before the date of grant was HK\$0.415.
3. The fair values of options granted and the respective accounting policy adopted are set out in note 39 to the financial statements.

2. Share Option Scheme of a subsidiary of the Company

Topanga Asia Limited ("Topanga Asia"), a subsidiary of the Company, adopted a share option scheme ("Topanga Asia Scheme") on 15 April 2014. The purpose of Topanga Asia Scheme is to provide incentives and rewards to selected eligible persons for their contributions to Topanga Asia. Topanga Asia Scheme will remain valid until 14 April 2024 and each option will be granted at a consideration for US\$1.

The participants of Topanga Asia Scheme may include any full-time employee of Topanga Asia or any subsidiary (including directors of Topanga Asia or any subsidiary) or any other persons who devote substantially all of their time and efforts to the business, management and operation of Topanga Asia and/or any subsidiary, as determined by the Board of Topanga Asia.

The total number of shares in respect of which options may be granted under the Topanga Asia Scheme shall be 68,900 shares, representing approximately 3.8% of the issued share capital of Topanga Asia as at the date of this annual report.

The period within which the options must be exercised will be specified by the Board of Topanga Asia at the time of the offer of grant. There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the Topanga Asia Scheme.

The exercise price in relation to each option granted to an eligible employee shall be determined by the Board of Topanga Asia in its absolute discretion.

Particulars of Topanga Asia Scheme are set out in note 39 to the consolidated financial statements.

附註：

1. 購股權歸屬期間為自授出日期起至行使期開始日期止。
2. 在緊接購股權授出日期之前的收市價為0.415港元。
3. 已授出的購股權公平值及其採取之會計政策載於財務報表附註39。

2. 附屬公司購股權計劃

本公司附屬公司勁亮嘉科技有限公司(「勁亮嘉」)於二零一四年四月十五日採納一項購股權計劃(「勁亮嘉計劃」)。勁亮嘉計劃旨在向選定人士提供作為彼等對勁亮嘉所作出貢獻之獎勵及獎賞。購股權計劃將一直有效至二零二四年四月十四日及每一購股權將以代價1美元授出。

勁亮嘉計劃之參與者包括勁亮嘉之全職僱員或任何附屬公司(包括勁亮嘉或任何附屬公司之董事)或任何對勁亮嘉及/或任何附屬公司之業務、管理及營運貢獻彼等大部份之時間及努力之其他人士(由勁亮嘉董事會決定)。

根據勁亮嘉計劃可能授出的購股權所涉及的股份總數為68,900股，相當於本年報日期勁亮嘉已發行股本約3.8%。

勁亮嘉董事會將於授出購股權要約時指明購股權須予行使的期限。勁亮嘉計劃之條款下並無有關必須持有購股權之最短期限或可行使購股權而必須達到之表現目標之一般規定。

授予每名合資格僱員之每個購股權之行使價將由勁亮嘉董事會全權決定。

勁亮嘉計劃之詳情載於綜合財務報表附註39。

SHARE AWARD SCHEME

On 10 January 2013 (the "Adoption Date"), the Board of Company adopted a share award scheme (the "Share Award Scheme") under which the shares of the Company (the "Awarded Shares") may be awarded to selected persons to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Share Award Scheme will be valid and effective for a term of ten years commencing on the Adoption Date until 9 January 2023.

The participants of the Share Award Scheme may include executives, officers, employees, directors of the Company or any of its subsidiary, any business or joint venture partner, investor, consultant, adviser or agent of any member of the Group.

The Share Award Scheme shall be subject to the administration of the Administration Committee in accordance with the rules of the Share Award Scheme and the terms of the Trust Deed.

Pursuant to the Share Award Scheme, the Board shall select the eligible persons for participation in the Share Award Scheme and determine the number of shares to be awarded. Shares will be acquired by an independent trustee at the cost of the Company or shares will be allotted to the independent trustee under the general mandate granted or to be granted by the shareholders of the Company at general meetings from time to time and be held in trust for the awarded persons until the end of each vesting period. Vested shares will be transferred at no cost to the awarded persons.

Where any Awarded Shares is proposed to be offered to a connected person of the Company (as defined under Chapter 14A of the Listing Rules), such offer of Awarded Shares has to be first approved by the independent non-executive directors of the Company and the Company will comply with the applicable requirements of Chapter 14A of the Listing Rules in respect of such offer (including but not limited to the obtaining of independent Shareholders' approval if necessary).

股份獎勵計劃

於二零一三年一月十日(「採納日期」)，本公司董事會採納股份獎勵計劃(「股份獎勵計劃」)。據此，本公司股份(「獎勵股份」)可授予經甄選人士以表彰本集團若干僱員及人士之貢獻，並給予獎勵以挽留該等僱員及人士為本集團之持續經營和發展而努力，亦為本集團進一步發展吸引合適之人才。股份獎勵計劃將由採納日期起生效，有效期為十年至二零二三年一月九日。

股份獎勵計劃之參與者包括本公司或其任何附屬公司之行政人員、高級職員、僱員、董事、本集團之任何合營夥伴、投資者、顧問、諮詢人或代理。

股份獎勵計劃會依據股份獎勵計劃之規則及信託契據之條款，由行政管理委員會管理。

根據股份獎勵計劃，董事會將甄選合資格人士參與股份獎勵計劃，並釐定予以獎勵股份之數目。股份將由獨立受託人購入，成本由本公司支付，或股份將根據於股東大會上不時由本公司股東授予或將授予的一般授權分配予獨立受託人，並以信託方式為獲獎勵人士持有，直至各歸屬期完結止。歸屬股份將無償轉讓予獲獎勵人士。

倘擬向本公司之關連人士(定義見上市規則第14A章)授予任何獎勵股份，該授予獎勵股份之建議須事先經本公司獨立非執行董事批准，且本公司將就有關建議遵守上市規則第14A章之適用規定(包括但不限於在需要時取得獨立股東批准)。

DIRECTORS' REPORT (CONTINUED)

董事會報告 (續)

Based on the 890,435,400 Shares in issue as at the adoption date, the maximum number of Awarded Shares under the Share Award Scheme would be 44,521,770 Shares and the maximum number of shares which may be awarded to an awarded person under the Share Award Scheme would be 8,904,354 shares.

For the year ended 31 December 2015, no Awarded Shares was granted pursuant to the Share Award Scheme.

COMPETING BUSINESS

None of the directors of the Company had any interest in any competing business with the Company or any of its subsidiaries during the year under review. Each of Mr. Lee and Precisefull (the controlling shareholders (within the meaning of the Listing Rules) of the Company) has provided a written confirmation, which has been reviewed and confirmed by the independent non-executive directors of the Company, confirming that they have complied with the terms of a Deed of Non-competition entered into between them and the Company for the year ended 31 December 2015.

CONTINUING CONNECTED TRANSACTIONS

On 15 November 2012, the Group entered into a renewed master agreement (the "Renewed Master Agreement") with Chit Shun Machinery Limited ("Chit Shun") for a term of three years commencing from 1 January 2013 to 31 December 2015, in relation to the purchase of equipment, machineries and parts (together with the maintenance services). Chit Shun is a limited liability company incorporated in Hong Kong and beneficially owned by Mr. Lee and an independent third party, in equal share. Mr. Lee has nominated a director to the board of Chit Shun. Besides, Mr. Chan Tat Cheong, Alan (as a representative of Mr. Lee) sits on the board of a wholly-owned subsidiary of Chit Shun established in the PRC. Since Mr. Lee is a director and controlling shareholder of Chit Shun, Chit Shun is a connected person of the Company (as defined in the Listing Rules). Accordingly, the transactions between the Group and Chit Shun constitute continuing connected transactions (the "Chit Shun Transactions") of the Group. At the board meeting held on 15 November 2012, the board of directors of the Company had approved (i) the Renewed Master Agreement and the transactions contemplated thereunder; and (ii) the proposed annual caps for each of the three years ended 31 December 2015.

根據於採納日期已發行890,435,400股股份計算，股份獎勵計劃可授出之獎勵股份數目上限為44,521,770股股份及股份獎勵計劃可獎勵予每名獲獎勵人士之股份數目上限為8,904,354股股份。

於截至二零一五年十二月三十一日止年度，沒有按股份獎勵計劃授出獎勵股份予本集團僱員。

競爭業務

於回顧年度，本公司董事概無於與本公司或其任何附屬公司競爭的任何業務中擁有任何權益。本公司控股股東(定義見上市規則)李先生及Precisefull各自已提供書面確認，並由本公司獨立非執行董事審閱及確認，彼等於截至二零一五年十二月三十一日止年度內已遵守本公司與彼等所訂立之不可競爭契據之條款。

持續關連交易

於二零一二年十一月十五日，本集團與捷迅機械設備有限公司(「捷迅」)就購買設備、機器與零件(連同相關保養服務)訂立經更新總協議(「經更新總協議」)，年期由二零一三年一月一日起至二零一五年十二月三十一日止，為期三年。捷迅為香港註冊成立的有限公司，由李先生及一名獨立第三方按等額權益實益擁有。李先生曾向捷迅董事會提名董事人選。另外，陳達昌先生(李先生的代表)為捷迅於中國成立的全資附屬公司之董事。因李先生為捷迅之董事兼控股股東，故捷迅為本公司的關連人士(定義見上市規則)。故此，本集團與捷迅之交易構成本集團之持續關連交易(「捷迅交易」)。於二零一二年十一月十五日舉行之董事會會議上，本公司之董事已批准(i)經更新總協議及其項下擬進行之交易；及(ii)截至二零一五年十二月三十一日止三個年度各年之建議年度上限。

For the year ended 31 December 2015, Chit Shun Transactions totalled approximately HK\$7,681,000 (2014: HK\$15,441,000).

The independent non-executive directors of the Company have reviewed the Chit Shun Transactions and confirmed that they have been entered into:

1. in the ordinary and usual course of business of the Group;
2. on normal commercial terms or better; and
3. in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on page 34 and 35 of the Annual Report in accordance with the Main Board Listing Rule 14A.56. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float required under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the directors.

EVENTS AFTER THE REPORTING PERIOD

Details of events after the reporting period are set out in note 44 to the consolidated financial statements.

截至二零一五年十二月三十一日止年度，捷迅交易之總額約為7,681,000港元（二零一四年：15,441,000港元）。

本公司獨立非執行董事已審核捷迅交易並確認該等交易：

1. 在本集團的日常業務中訂立；
2. 按照一般商務條款或更佳條款進行；及
3. 根據監管該等交易之有關協議條款進行，而條款公平合理，並且符合本公司股東的整體利益。

本公司核數師已獲聘根據香港會計師公會頒佈的《香港核證工作準則》第3000號（修訂）「審核或審閱歷史財務資料以外的核證工作」及參照實務說明第740號「關於香港《上市規則》所述持續關連交易的核數師函件」報告本集團的持續關連交易。核數師已根據上市規則第14A.56條發出無保留函件，而該函件載有核數師對有關本集團在年報第34及35頁披露的持續關連交易的發現及結論。本公司已將核數師函件副本送呈聯交所。

公眾持股量

於本報告日，根據本公司可以得悉之公開資料及本公司董事亦知悉之情況下，本公司已按上市規則之要求，維持足夠公眾持股量。

報告期間完結後事項

報告期間完結後事項詳情載於綜合財務報告附註44。

DIRECTORS' REPORT (CONTINUED)

董事會報告 (續)

AUDITOR

At the Company's last general meeting, RSM Nelson Wheeler was re-appointed as auditor of the Company. On 26 October 2015, our auditor changed the name under which it practices to RSM Hong Kong and accordingly has signed the report under its new name.

RSM Hong Kong shall retire and being eligible, offer themselves for re-appointment, and a resolution to this effect will be proposed at the forthcoming annual general meeting.

OTHER CHANGES IN DIRECTORS' INFORMATION

Other changes in directors' information since the date of 2015 Interim Report are set out below:

1. Mr. Andrew Look, an independent non-executive director of the Company, was appointed as an independent non-executive director of Citic Resources Holdings Limited on 31 August 2015.
2. Mr. Kong To Yeung, Frankie, an independent non-executive director of the Company, has changed his name to Kong Kai Chuen, Frankie, with effect from 3 March 2016.
3. Mr. Sun Kai Lit Cliff, an independent non-executive director of the Company, resigned as an independent non-executive director of Ming Fai International Holdings Limited on 29 March 2016.

Save as the information disclosed above, there is no change in directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

By order of the Board
Lee Yuen Fat
Chairman

Hong Kong, 30 March 2016

核數師

於本公司上次股東週年大會，中瑞岳華（香港）會計師事務所獲重聘為本公司之核數師。於二零一五年十月二十六日，核數師將其英文執業名稱由RSM Nelson Wheeler更改為RSM Hong Kong，報告因此以其新名稱簽署。

中瑞岳華（香港）會計師事務所將退任，惟願意膺選連任，而重聘彼等之有關決議案於即將舉行之股東週年大會上提呈。

董事資料的其他變更

自二零一五年中期報告日期以來的董事資料其他變更載列如下：

1. 本公司獨立非執行董事陸東先生於二零一五年八月三十一日獲委任為中信資源控股有限公司之獨立非執行董事。
2. 本公司獨立非執行董事江道揚先生之姓名已經更改為江啟銓，由二零一六年三月三日生效。
3. 本公司獨立非執行董事孫啟烈先生於二零一六年三月二十九日辭任明輝國際控股有限公司之獨立非執行董事。

除上文所披露資料外，概無任何董事變更資料須根據上市規則第13.51B(1)條之規定予披露。

承董事會命
李遠發
主席

香港，二零一六年三月三十日

The board of directors (the “Board”) believes that good corporate governance practices are essential for promoting investors’ confidence and maximizing shareholders’ returns. The Board is committed to maintaining a high standard of corporate governance and reviews its corporate governance practices on a regular basis.

The Company’s corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). For the year ended 31 December 2015 (the “Year”), the Company has complied with all the code provisions (the “Code Provision”) set out in the CG Code save the deviation from the Code Provision A.2.1, which is explained in the relevant paragraphs below.

THE BOARD

The Board is collectively responsible for formulating the Group’s overall business strategies, monitoring and evaluating its operating and financial performance and reviewing the corporate governance standard of the Company. The day-to-day management, administration and operation of the Company are led by the chief executive officer of the Company. The Board has also delegated a schedule of responsibilities to the senior management of the Company, which include the implementation of decisions of the Board, the co-ordination and direction of day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the production and operating plans and budgets, and supervising and monitoring the control systems. The Board has the full support of the senior management to discharge its responsibilities.

As at 31 December 2015, the Board comprises eight members as follows:

Executive Directors

Mr. Lee Yuen Fat (*Chairman*)
Dr. Wong Cheong Yiu (*Chief Executive Officer*)
(*appointed on 1 June 2015*)
Mr. Wong Wing Chuen
Mr. Chan Tat Cheong, Alan

Independent Non-executive Directors

Mr. Sun Kai Lit Cliff, BBS, JP
Ir Dr. Lo Wai Kwok, SBS, MH, JP
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie
(*formerly known as Kong To Yeung, Frankie*)
(*appointed on 11 May 2015*)
Mr. Yeow Hoe Ann John (*retired on 11 May 2015*)

本公司董事會(「董事會」)相信良好之企業管治守則對於提高投資者的信心和增加股東的回報至為重要。董事會一向致力維持高水平的企業管治及定期檢討本公司之企業管治守則。

本公司之企業管治守則乃以聯交所證券上市規則(「上市規則」)附錄十四《企業管治守則》(「企業管治守則」)之原則及守則條文為基礎。於截至二零一五年十二月三十一日止年度(「本年度」)，本公司一直遵守企業管治守則內所有守則條文(「守則條文」)，惟守則條文第A.2.1條有所偏離，詳情載於下文有關段落。

董事會

董事會共同負責制訂本集團之整體業務策略，及監管和評估本集團其營運與財務上之表現，並檢討本公司之企業管治水平。本公司的日常管理、行政及營運均由本公司行政總裁領導。董事會已將一系列職責轉授予本公司高級管理層，包括執行董事會的決策、依照董事會批准的管理策略及計劃對本公司日常運作及管理作出協調及指揮、制定及監察生產和營運計劃及預算，以及監督及監察監控制度。董事會亦獲高級管理層全力支持履行其職責。

於二零一五年十二月三十一日，董事會包括下列八名成員：

執行董事

李遠發先生(*主席*)
黃昌耀博士(*行政總裁*)
(*於二零一五年六月一日獲委任*)
黃永銓先生
陳達昌先生

獨立非執行董事

孫啟烈先生BBS, 太平紳士
盧偉國博士SBS, MH, 太平紳士
陸東先生
江啟銓先生
(*前稱江道揚*)
(*於二零一五年五月十一日獲委任*)
姚和安先生(*於二零一五年五月十一日退任*)

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Biographical details of the directors of the Company as at the date of this report are set out on pages 18 to 21 of this annual report.

The Board members have no financial, business, family or other material/relevant relationships with each other.

Each of the independent non-executive directors has confirmed in writing his independence from the Company in accordance with Rule 3.13 of the Listing Rules. On this basis, the Company considers all such directors to be independent.

All the independent non-executive directors were appointed for a specific term of two years and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association of the Company.

The Board conducts four regular scheduled meetings a year on a quarterly basis and ad hoc meetings are convened when circumstances require. Notice of at least 14 days is given to all directors for all regular Board meetings and all directors are given opportunity to include matters for discussion in the agenda. Draft minutes of Board meetings are circulated to all directors for comments. Minutes of Board meetings with details of matters considered by the Board and decision reached are kept by the Company Secretary and open for inspection by the directors.

During the Year, four Board meetings and one general meeting were held and details of individual attendance of directors are set out in the table on page 42 of this annual report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to Code Provision A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Lee Yuen Fat, the Chairman of the Company, has assumed the role of Chief Executive Officer of the Company with effect from 1 July 2014. Following the appointment of Dr. Wong Cheong Yiu as Chief Executive Officer of the Company with effect from 1 June 2015, the roles of chairman and chief executive officer of the Company are segregated and are not performed by the same person. Mr. Lee Yuen Fat, the Chairman, is responsible for the leadership and effective running of the Board while Dr. Wong Cheong Yiu, the Chief Executive Officer, is responsible for the overall management and supervision of the execution of the overall business strategies of the Group.

於本報告日，本公司董事之個人資料詳載於本年報第18至第21頁。

各董事會成員之間並沒有財務、業務、親屬或其他重大或相關之關係。

各獨立非執行董事已根據上市規則第3.13條就其獨立性以書面確認；因此，本公司認為該等董事確屬獨立人士。

所有獨立非執行董事之指定任期為兩年。彼等須按照本公司組織章程細則的條文在本公司之股東週年大會上輪值告退及膺選連任。

董事會於年內舉行四次定期會議，約每季度一次，並於情況需要時召開特別會議。董事會的所有定期會議通知最少在會議前十四天發給所有董事，所有董事均可提出討論事項列入會議議程。董事會會議紀錄初稿會發送予全體董事以表達意見。董事會會議紀錄詳細紀錄董事局考慮之事項及達致的決定，由公司秘書備存，董事可隨時查閱。

於本年度內，本公司已舉行四次董事會會議及一次股東大會，個別董事之出席資料詳載於本年報第42頁。

主席及行政總裁

根據企業管治守則之守則條文A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。本公司主席李遠發先生由二零一四年七月一日起兼任本公司行政總裁之職務。隨著黃昌耀博士於二零一五年六月一日起獲委任為本公司之行政總裁，本公司主席及行政總裁之角色已分開及不是由同一人出任。李遠發先生為本公司主席，負責領導及有效地管理董事會；而黃昌耀博士為本公司行政總裁，負責本集團的整體管理及監督整體業務策略的執行。

LIABILITY INSURANCE FOR THE DIRECTORS

The Company has in force appropriate insurance coverage on directors' and officers' liabilities arising from the Group's business. The Company reviews the extent of insurance coverage on an annual basis.

CONTINUOUS PROFESSIONAL DEVELOPMENT

The directors are regularly briefed on the amendments to or updates on the Listing Rules, corporate governance practices, other regulatory regime and the business development of the Company. To keep abreast of the responsibilities of the directors and infuse them with new knowledge, an in-house seminar was conducted during the Year. Apart from what the Company had arranged, some of the directors also attended other external training seminars.

AUDIT COMMITTEE

The Company established the Audit Committee in June 2007. The primary duties of the Audit Committee are to review and approve the financial reporting process and internal control system of the Group as well as to provide advice and comments to the Board. The Audit Committee comprises four independent non-executive directors, namely Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), Mr. Sun Kai Lit Cliff BBS, JP, Ir Dr. Lo Wai Kwok SBS, MH, JP and Mr. Andrew Look and is chaired by Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), a qualified accountant with extensive experience in financial reporting and controls.

During 2015, the Audit Committee held two meetings to review the financial statements of the Group with the external auditor and discussed on the internal control matters.

NOMINATION COMMITTEE

The Nomination Committee was set up in June 2007 and is mainly responsible for reviewing the structure, size and the composition of the Board and making recommendations on any proposed change to the Board to complement the Company's corporate strategy; assessing the independence of independent non-executive directors; making recommendations to the Board on the appointment of directors and succession planning for directors. The members of the Nomination Committee are Mr. Sun Kai Lit Cliff BBS, JP, Ir Dr. Lo Wai Kwok SBS, MH, JP, Mr. Andrew Look and Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie). Mr. Sun Kai Lit Cliff BBS, JP is the Chairman of the Nomination Committee.

During the Year, the Nomination Committee held two meetings to make recommendations to the Board on the appointment of directors and review the structure, size and the composition of the Board.

董事責任保險

本公司已就董事及行政人員因本集團業務而引起之責任購買適當保險，本公司每年檢討保險所保障之範圍。

持續專業發展

董事亦定期獲簡介有關上市規則、企業管治常規、相關法例之修訂及本公司的業務發展。為使董事瞭解其職責及灌輸新的知識，於本年度內已舉行了一次內部研討會。除由本公司作出之安排外，若干董事亦有參加其他外部培訓研討會。

審核委員會

本公司於二零零七年六月成立審核委員會。審核委員會之主要職責為審閱及批准本集團之財務報告程序及內部監控系統，並向董事會提供建議及意見。審核委員會由四名獨立非執行董事組成，分別為江啟銓先生(前稱江道揚)、孫啟烈先生BBS、太平紳士、盧偉國博士SBS、MH、太平紳士及陸東先生，而江啟銓先生(前稱江道揚)為審核委員會之主席，彼為合資格會計師，於財務報告及控制擁有豐富經驗。

於二零一五年，審核委員會與外聘核數師舉行了兩次會議，審閱本集團之財務報表及討論內部監控事項。

提名委員會

提名委員會於二零零七年六月成立，主要負責檢討董事會的架構、人數及組成與就任何為配合本公司企業策略而擬對董事會作出的變動提出建議；評核獨立非執行董事的獨立性；就委任董事及董事繼任計劃向董事會提供意見。提名委員會之成員包括孫啟烈先生BBS、太平紳士、盧偉國博士SBS、MH、太平紳士、陸東先生及江啟銓先生(前稱江道揚)，而孫啟烈先生BBS、太平紳士為提名委員會之主席。

於本年度，提名委員會舉行了兩次會議，向董事會就委任董事提供意見及檢討董事會之架構、規模及組成。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the “Board Diversity Policy”) during the year which sets out the approach to achieve diversity on the Board. The Company recognizes that increasing diversity at the Board level will support the attainment of the Company’s strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimum composition of the Board.

The Nomination Committee will review and monitor the implementation of the Board Diversity Policy to ensure its effectiveness.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in June 2007. The major duties of the Remuneration Committee are to make recommendations to the Board on the Company’s policy and structure for the remuneration of directors and senior management. It also reviews and determines the terms of remuneration packages, the award of bonuses and other compensation payable to individual directors and senior management with reference to the Board’s corporate goals and objectives. The Remuneration Committee consists of Mr. Sun Kai Lit Cliff BBS, JP, Ir Dr. Lo Wai Kwok SBS, MH, JP, Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie) and Mr. Andrew Look. The Chairman of the Remuneration Committee is Mr. Sun Kai Lit, Cliff BBS, JP, an independent non-executive director.

The remuneration of the members of the senior management by band for the year ended 31 December 2015 is set out in note 15 to the consolidated financial statements.

During 2015, the Remuneration Committee held one meeting to review and approve the salary adjustment and bonus of executive directors of the Company.

董事會成員多元化政策

董事會於年內採納董事會成員多元化政策(「董事會成員多元化政策」)，該政策載列達致董事會成員多元化之途徑。本公司了解董事會層面日益多元化將為達成本公司策略目標和可持續發展提供支持。本公司藉考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技術、知識及任職年期，務求達致董事會成員多元化。本公司在決定董事會最佳成員組合時，亦會考慮其本身之業務模式及具體需要。

提名委員會會檢討及監察董事會成員多元化政策的執行以確保其有效性。

薪酬委員會

本公司於二零零七年六月成立薪酬委員會。薪酬委員會之主要職責為就本公司董事及高級管理人員之薪酬政策及架構向董事會推薦意見，並因應董事會之企業方針及目標而檢討及釐定個別董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬。薪酬委員會由孫啟烈先生BBS、太平紳士、盧偉國博士SBS、MH、太平紳士、陸東先生及江啟銓先生(前稱江道揚)組成。薪酬委員會之主席為獨立非執行董事孫啟烈先生BBS、太平紳士。

於截至二零一五年十二月三十一日止年度按薪酬組別劃分之高級管理人員薪酬載於綜合財務報表附註15。

於二零一五年，薪酬委員會舉行了一次會議，批准本公司執行董事之薪酬調整及花紅。

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for the corporate governance functions with the following duties:

- to develop and review the Company's policies and practices on corporate governance and make recommendations on changes and updating;
 - to review and monitor the training and continuous professional development of directors;
 - to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
 - to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
 - to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.
- 制訂及檢討本公司的企業管治政策及常規，並就變動及更新提出建議；
 - 檢討及監察董事的培訓及持續專業發展；
 - 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
 - 制訂、檢討及監察適用於僱員及董事的操守守則及合規手冊(如有)；及
 - 檢討本公司遵守企業管治守則的情況及於企業管治報告中作出的披露。

企業管治職能

董事會負責企業管治職能，並有下列職責：

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

ATTENDANCE OF MEETINGS

A summary of attendance of Board meetings and Committee meetings and annual general meeting in 2015 are detailed in the following table:

出席會議

下表載列於二零一五年董事會會議、委員會會議及股東週年大會之出席率摘要：

	Number of attendance/Number of meetings 出席次數/會議次數				
	Board meeting 董事會會議	Audit Committee meeting 審核委員會會議	Nomination Committee meeting 提名委員會會議	Remuneration Committee meeting 薪酬委員會會議	Annual General Meeting 股東週年大會

Executive Directors

執行董事

Mr. Lee Yuen Fat 李遠發先生	4/4	-	-	-	1/1
Dr. Wong Cheong Yiu ¹ 黃昌耀博士 ¹	2/4	-	1/2	0/1	0/1
Mr. Wong Wing Chuen 黃永銓先生	4/4	-	-	-	1/1
Mr. Chan Tat Cheong, Alan 陳達昌先生	4/4	-	-	-	1/1

Independent Non-Executive Directors

獨立非執行董事

Mr. Sun Kai Lit, Cliff BBS, JP 孫啟烈先生BBS, 太平紳士	4/4	2/2	2/2	1/1	1/1
Ir Dr. Lo Wai Kwok SBS, MH, JP 盧偉國博士SBS, MH, 太平紳士	4/4	2/2	2/2	1/1	1/1
Mr. Andrew Look 陸東先生	4/4	2/2	2/2	1/1	1/1
Mr. Kong Kai Chuen, Frankie ² (formerly known as Kong To Yeung, Frankie) 江啟銓先生 ² (前稱江道揚)	2/4	1/2	1/2	0/1	0/1
Mr. Yeow Hoe Ann, John ³ 姚和安先生 ³	2/4	1/2	1/2	1/1	1/1

Notes:

1. Dr. Wong Cheong Yiu was appointed as an executive director, a member of the Remuneration Committee and Nomination Committee of the Company with effect from 1 June 2015.
2. Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie) was appointed as an independent non-executive director, a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company with effect from 11 May 2015.
3. Mr. Yeow Hoe Ann, John retired as an independent non-executive director of the Company on 11 May 2015 and also ceased to be a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company with effect from 11 May 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, all directors have confirmed that they have fully complied with the required standard set out in the Model Code during the Year.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for the preparation of the financial statements of the Company for the year ended 31 December 2015. The statement of the external auditor of the Company in relation to their reporting responsibility on the financial statements of the Group is set out in the Independent Auditor's Report on pages 46 and 47.

INTERNAL CONTROL

The Board has overall responsibility for maintaining a sound and effective internal control system of the Group in order to safeguard the Group's assets and shareholders' investments. There is currently an internal audit department within the Group. Its duties are to review the systems of internal controls covering all relevant financial, operational and compliance control functions within an established framework. Reports prepared by this department are submitted to the Audit Committee of the Company twice a year for review to ensure that an effective and adequate internal control system has been in place.

附註：

1. 黃昌耀博士於二零一五年六月一日起獲委任本公司執行董事、薪酬委員會及提名委員會成員。
2. 江啟銓先生(前稱江道揚)於二零一五年五月十一日起獲委任本公司獨立非執行董事、審核委員會、薪酬委員會及提名委員會成員。
3. 姚和安先生於二零一五年五月十一日起退任本公司獨立非執行董事，並由二零一五年五月十一日起停止擔任本公司審核委員會、薪酬委員會及提名委員會成員。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之標準守則。經向全體董事作出具體查詢後確認，彼等於本年度一直全面遵守標準守則所載規定準則。

董事就財務報表所承擔之責任

董事確認彼等對編制本公司截至二零一五年十二月三十一日止年度財務報表之責任。本公司之外聘核數師就其對本集團財務報表之申報責任而發出之聲明，載於第46及第47頁之獨立核數師報告內。

內部監控

董事會全權負責維持本集團健全和有效的內部監控系統，以保障本集團資產及股東之投資。現時集團有一內部審核部門，其職責為檢討內部監控系統，包括已建立的架構內的所有相關財務、營運及依從規例監控效能。該部門每年兩次把所編制之報告提呈本公司之審核委員會審閱，以確保有效及足夠之內部監控系統經已存在。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

AUDITOR'S REMUNERATION

Total auditor's remuneration in relation to statutory audit work and non-audit services of the Group is set out as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Statutory audit	法定審核	1,650	1,580
Non-audit services ⁽¹⁾	非審核服務 ⁽¹⁾	569	283
Total	總數	2,219	1,863

Note:

1. Non-audit services mainly include agreed-upon procedures on interim results, tax advisory service and financial due diligence.

COMPANY SECRETARY

The Company Secretary of the Company is a full time employee of the Company. For the year ended 31 December 2015, the Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Procedures for convening extraordinary general meeting on requisition

Pursuant to Article 64 of the Company's Articles of Association, an extraordinary general meeting may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

核數師之酬金

本集團付予有關法定審核及非審核服務的核數師酬金如下：

附註：

1. 非審核服務主要包括中期業績之約定程序、稅務諮詢服務及財務盡職審查。

公司秘書

本公司之公司秘書為本公司之全職僱員。截至二零一五年十二月三十一日止年度，公司秘書已遵守上市規則第3.29條的相關專業培訓規定。

股東之權利

請求召開股東特別大會之程序

根據本公司組織章程細則第64條，特別股東大會亦可由一名或多名持有股東要求召開，該等股東於提出要求當日須持有本公司實繳股本不少於十分之一並有權在股東大會上投票。有關要求須以書面形式向董事會或公司秘書提出，藉以要求董事會就處理有關要求所指明之任何事務而召開股東特別大會。有關會議須在遞交該請求書後兩個月內召開。如董事會在請求書遞交日期起計二十一日內未有進行安排召開有關會議，則請求人(或多名請求人)可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而招致的所有合理費用，須由本公司償還請求人。

Procedure for putting forward proposals at general meeting

A shareholder shall make a written requisition to the Board or the Company Secretary at the Company's office in Hong Kong, specifying the shareholding information of the shareholder, contact details and the proposal he/she intends to put forward at general meeting regarding any specified business and its supporting documents.

Shareholders' enquiries

Shareholders should direct their questions in relation to their shareholdings to the Company's share registrar. Shareholders may at any time make a request for the Company's information to the extent that such information is publically available. Shareholders may send written enquiries to the Board by writing to the Company Secretary at the Company's office in Hong Kong at Room A, 29th Floor, Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

Constitutional Documents

There is no change in the Company's constitutional documents during the year ended 31 December 2015.

於股東大會上提呈建議之程序

股東須致函本公司香港辦事處向本公司之董事會或公司秘書提出書面要求，當中須列明該股東的股權資料、其詳細聯絡資料，以及擬就任何具體的事務而於股東大會上提呈的建議及其有關文件。

股東提問

股東應向本公司股份過戶登記處提出有關其股權之疑問。股東可隨時要求索取有關本公司之公開資料。股東亦可致函公司秘書向董事會作出查詢，本公司香港辦事處之地址為香港九龍九龍灣宏光道一號億京中心B座29樓A室。

組織章程文件

於截至二零一五年十二月三十一日止年度，本公司之組織章程文件並無任何變動。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



**TO THE SHAREHOLDERS OF
KA SHUI INTERNATIONAL HOLDINGS LIMITED**
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Ka Shui International Holdings Limited (the "Company") and its subsidiaries set out on pages 48 to 171, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

**致嘉瑞國際控股有限公司
全體股東**
(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第48至第171頁的嘉瑞國際控股有限公司(「貴公司」)及其附屬公司綜合財務報表,其中包括於二零一五年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及主要會計政策概要及其他解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及《香港公司條例》披露規定,編制及真實公平地列報該等綜合財務報表,以及董事認為以使綜合財務報表的編制不存在因欺詐或錯誤而導致的重大錯誤陳述而需要的內部控制。

核數師的責任

我們的責任是根據我們的審核結果,就該等綜合財務報表發表意見,並僅向全體股東報告。除此之外,本報告不可用作其他用途。我們不會就本報告內容向任何其他人士負上或承擔任何責任。我們已根據香港會計師公會頒佈的《香港審計準則》進行審核。該等準則要求我們遵守道德規範,並計劃及執行審核,以合理確定該等綜合財務報表是否不存在任何重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Hong Kong
Certified Public Accountants
Hong Kong

30 March 2016

審核範圍包括進行程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與貴公司編制真實公平之綜合財務報表相關的內部控制，以設計適當的審核程序，但並非為對貴公司的內部控制的效能發表意見。審核亦包括評估董事所採用的會計政策的適當性及所作出的會計估計的合理性，以及評估綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證乃充足及適當，可為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據《香港財務報告準則》真實公平地反映貴公司及其附屬公司於二零一五年十二月三十一日的財務狀況，及該等公司於截至該日止年度的財務業績及現金流量，並已遵從《香港公司條例》的披露規定妥為編制。

中瑞岳華(香港)會計師事務所
執業會計師
香港

二零一六年三月三十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2015 截至二零一五年十二月三十一日

			2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
		Note 附註		
Revenue	收入	8	1,539,344	1,582,333
Cost of sales	銷售成本		(1,247,363)	(1,272,216)
Gross profit	毛利		291,981	310,117
Other income	其他收入	9	23,720	105,145
Selling and distribution expenses	銷售及分銷開支		(28,211)	(32,827)
General and administrative expenses	一般及行政開支		(262,990)	(271,554)
Other operating expenses and income	其他營運開支及收入	11	(97,010)	(11,555)
Gain on a bargain purchase	議價收購收益	40(b)	9,546	–
(Loss)/Profit from operations	經營(虧損)/溢利		(62,964)	99,326
Finance costs	融資成本	12	(8,792)	(13,267)
(Loss)/Profit before tax	除稅前(虧損)/溢利		(71,756)	86,059
Income tax expense	所得稅開支	13	(5,410)	(26,707)
(Loss)/Profit for the year	年內(虧損)/溢利	14	(77,166)	59,352
Attributable to:	以下人士應佔權益:			
Owners of the Company	本公司權益持有人		(63,489)	77,246
Non-controlling interests	非控股權益		(13,677)	(17,894)
			(77,166)	59,352
(Loss)/Earnings per share	每股(虧損)/盈利	18	HK Cents 港仙	HK Cents 港仙
Basic	基本		(7.10)	8.64
Diluted	攤薄		(7.24)	8.64

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
(Loss)/Profit for the year	年內(虧損)/溢利	(77,166)	59,352
Other comprehensive income:	其他全面收益：		
<i>Items that will not be reclassified to profit or loss:</i>	將不會重新分類至損益之項目：		
Surplus on revaluation of leasehold land	租賃土地價值重估之盈餘	50,907	21,088
Income tax on items that will not be reclassified to profit or loss	不會重新分類至損益之項目之所得稅	(10,688)	(4,416)
		40,219	16,672
<i>Items that may be reclassified to profit or loss:</i>	可重新分類至損益之項目：		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(45,664)	(16,159)
Other comprehensive income for the year, net of tax	年內除稅後其他全面收益	(5,445)	513
Total comprehensive income for the year	年內全面收益總額	(82,611)	59,865
Attributable to:	以下人士應佔權益：		
Owners of the Company	本公司權益持有人	(68,924)	78,034
Non-controlling interests	非控股權益	(13,687)	(18,169)
		(82,611)	59,865

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2015 於二零一五年十二月三十一日

		Note 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	19	899,035	850,414
Goodwill	商譽	21	–	–
Intangible assets	無形資產	22	718	14,326
Available-for-sale financial assets	可供出售金融資產	23	–	–
Deposits paid for acquisition of property, plant and equipment	預付購買物業、機器及設備之按金		7,066	7,183
Deferred tax assets	遞延稅項資產	35	12,282	–
			919,101	871,923
Current assets	流動資產			
Inventories	存貨	24	173,924	200,572
Trade receivables	貿易應收款項	25	361,385	414,772
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	26	64,526	80,488
Financial assets at fair value through profit or loss	按公平值計入損益賬的金融資產	27	–	614
Pledged bank deposits	已抵押銀行存款	28	–	20,233
Restricted bank balances	有限制銀行存款	28	4,117	4,359
Bank and cash balances	銀行及現金結餘	28	260,529	237,019
			864,481	958,057
Assets classified as held for sale	分類為持作銷售資產	29	8,020	–
Total current assets	總流動資產		872,501	958,057
Current liabilities	流動負債			
Trade payables	貿易應付款項	30	225,906	271,990
Deposits received	已收按金		330	508
Other payables and accruals	其他應付款項及應計費用	30	87,681	87,498
Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債	27	52,434	8,888
Due to a related company	應付關連公司款項	31	1,895	899
Due to a director	應付董事款項	32	–	1,860
Bank borrowings	銀行借款	33	422,536	521,970
Current tax liabilities	即期稅項負債		24,585	30,969
			815,367	924,582
Liabilities directly associated with assets classified as held for sale	與分類為持作銷售資產直接有關之負債	29	2,502	–
Total current liabilities	總流動負債		817,869	924,582
Net current assets	流動資產淨值		54,632	33,475
Total assets less current liabilities	資產總值減流動負債		973,733	905,398

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

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At 31 December 2015 於二零一五年十二月三十一日

			2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
		Note 附註		
Non-current liabilities	非流動負債			
Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債	27	25,934	-
Bank borrowings	銀行借款	33	181,051	28,000
Deferred tax liabilities	遞延稅項負債	35	35,248	27,855
			242,233	55,855
NET ASSETS	資產淨值		731,500	849,543
Capital and reserves	資本及儲備			
Share capital	股本	36	89,376	89,376
Reserves	儲備	38	639,555	728,612
Equity attributable to owners of the Company	本公司權益持有人應佔權益		728,931	817,988
Non-controlling interests	非控股權益		2,569	31,555
TOTAL EQUITY	權益總額		731,500	849,543

Approved by the Board of Directors on 30 March 2016 and are signed on its behalf by:

經董事會於二零一六年三月三十日批准，並由以下董事代表簽署：

Lee Yuen Fat
李遠發
Director
董事

Wong Cheong Yiu
黃昌耀
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2015 截至二零一五年十二月三十一日

		Attributable to owners of the Company 本公司權益持有人應佔權益											
		Share capital	Share premium	Retained earnings	Capital reserve	Merger reserve	Foreign currency translation reserve	Share option reserve	Statutory reserve	Land revaluation reserve	Non-controlling interests	Total equity	
		股本	股份溢價	保留盈利	資本儲備	合併儲備	匯兌儲備	購股權儲備	法定儲備	土地重估儲備	總數	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2014	於二零一四年一月一日	89,345	204,338	340,483	8,036	(9,931)	75,790	24	8,601	87,562	804,248	49,315	853,563
Total comprehensive income for the year	年內全面收益	-	-	77,246	-	-	(15,675)	-	-	16,463	78,034	(18,169)	59,865
Grant of shares under share award scheme	按股份獎勵計劃而授出之股份	-	-	-	-	-	-	292	-	-	292	-	292
Issue of shares granted under share award scheme	按股份獎勵計劃而發行之股份	21	271	-	-	-	-	(292)	-	-	-	-	-
Issue of shares upon the exercise of share options	因行使購股權而發行之股份	10	31	-	-	-	-	-	-	-	41	-	41
Exercise of share options	行使之購股權	-	10	-	-	-	-	(10)	-	-	-	-	-
Forfeiture of share options	沒收之購股權	-	-	4	-	-	-	(4)	-	-	-	-	-
Transfer from statutory reserve	轉移至法定儲備	-	-	878	-	-	-	-	(878)	-	-	-	-
Recognition of share-based payments	確認以股權結算之款項	-	-	-	-	-	-	614	-	-	614	409	1,023
Dividends paid	已付股息	-	-	(65,241)	-	-	-	-	-	-	(65,241)	-	(65,241)
Changes in equity for the year	年內權益變動	31	312	12,887	-	-	(15,675)	600	(878)	16,463	13,740	(17,760)	(4,020)
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日	89,376	204,650	353,370	8,036	(9,931)	60,115	624	7,723	104,025	817,988	31,555	849,543
Total comprehensive income for the year	年內全面收益	-	-	(63,489)	-	-	(45,654)	-	-	40,219	(68,924)	(13,687)	(82,611)
Adjustment of non-controlling interest arising from further acquisition of a subsidiary's equity	進一步收購一附屬公司股權導致非控股權益調整	-	-	-	(5,921)	-	-	-	-	-	(5,921)	(15,322)	(21,243)
Forfeiture of share options	行使之購股權	-	-	675	-	-	-	(675)	-	-	-	-	-
Recognition of share-based payments	確認以股權結算之款項	-	-	-	-	-	-	88	-	-	88	23	111
Dividends paid	已付股息	-	-	(14,300)	-	-	-	-	-	-	(14,300)	-	(14,300)
Changes in equity for the year	年內權益變動	-	-	(77,114)	(5,921)	-	(45,654)	(587)	-	40,219	(89,057)	(28,986)	(118,043)
At 31 December 2015	於二零一五年十二月三十一日	89,376	204,650	276,256	2,115	(9,931)	14,461	37	7,723	144,244	728,931	2,569	731,500

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

	Note 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
NET CASH GENERATED FROM OPERATING ACTIVITIES	40(a)	108,667	176,690
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease/(Increase) in pledged bank deposits		20,039	(20,039)
Acquisition of subsidiaries	40(b)	(6,228)	-
Deposit received from a potential investor of a subsidiary		1,938	-
Interest received		2,194	2,097
Proceeds from disposals of property, plant and equipment		440	589
Purchase of property, plant and equipment		(100,612)	(176,242)
Refund of land costs		-	254
Deposit paid for the acquisition of property, plant and equipment		(3,421)	(7,826)
Net cash used in investing activities		(85,650)	(201,167)
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition of non-controlling interest		(21,243)	-
Issue of shares upon the exercise of share options		-	41
Dividends paid		(14,300)	(65,241)
(Repayment to)/Advance from a director		(1,860)	1,860
Net short term bank loans (repaid)/raised		(125,456)	105,635
Repayment of obligations under finance leases		-	(1,330)
Repayment of long term bank loans		(139,975)	(119,872)
Long term bank loans raised		315,922	68,120
Net cash generated from/(used in) financing activities		13,088	(10,787)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		36,105	(35,264)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		237,019	275,144
Effect of foreign exchange rate changes		(9,994)	(2,861)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		263,130	237,019
Bank and cash balances included in assets held for sale	29	(2,601)	-
		260,529	237,019
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances	28	260,529	237,019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2015 截至二零一五年十二月三十一日

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands. The address of its principal place of business is Room A, 29/F., Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 20 to the consolidated financial statements.

In the opinion of the directors of the Company, as at 31 December 2015, Precisefull Limited, a company incorporated in the British Virgin Islands, is the ultimate parent and Mr. LEE Yuen Fat ("Mr. Lee") is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

1. 公司資料

本公司根據開曼群島公司法在開曼群島註冊成立為受豁免有限公司。其註冊辦事處地點為Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands。其主要營業地點為香港九龍九龍灣宏光道一號億京中心B座29樓A室。本公司之股份在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為一家投資控股公司。其附屬公司的主要業務載於本綜合財務報表附註20。

本公司董事認為，於二零一五年十二月三十一日，Precisefull Limited(一間於英屬處女群島註冊成立之公司)為最終母公司，李遠發先生(「李先生」)為本公司之最終控股方。

2. 編制基準

此等綜合財務報表乃根據適用之由香港會計師公會(「香港會計師公會」)所頒佈香港財務報告準則(「香港財務報告準則」)編制。香港財務報告準則包括香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋。此等綜合財務報表也遵從適用之聯交所證券上市規則(「上市規則」)之披露守則及香港公司條例(第622章)之披露要求。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS AND REQUIREMENTS

(a) Application of new and revised HKFRSs

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2015. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current and prior years.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2015. The directors anticipate that the new and revised HKFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

List of the new and revised HKFRSs in issue that are relevant to the Group's operations but not yet effective for the year is set out as follows:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKAS 1	Disclosure Initiative ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle ²

¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

3. 採納新訂及經修訂香港財務報告準則

(a) 運用新訂及經修訂香港財務報告準則

於本年度，本集團已採納適用於本身營運，由香港會計師公會所頒佈並自二零一五年一月一日開始的會計年度生效的所有新訂及經修訂香港財務報告準則。採納該等新訂及經修訂的香港財務報告準則並未使本集團的會計政策、本集團財務報表的呈報方式及本年度與以往年度呈報的金額出現重大變動。

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用已頒佈但尚未於二零一五年一月一日開始之財政年度生效之新訂及經修訂香港財務報告準則。董事預期新訂及經修訂香港財務報告準則將於生效後於本集團綜合財務報表採納。本集團現正評估(尚適用)所有將於未來期間生效之新訂及經修訂香港財務報告準則之潛在影響，但尚未確定此等新訂及經修訂香港財務報告準則會否對其經營業績及財務狀況構成重大影響。

與本集團營運有關之新訂及經修訂(但於年內未生效)香港財務報告準則如下：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合同之收入 ¹
香港會計準則第1號(修訂)	主動披露 ²
香港財務報告準則(修訂)	香港財務報告準則二零一二年至二零一四年週期之年度改進 ²

¹ 於二零一八年一月一日或以後開始之年度期間生效，可予提早應用。

² 於二零一六年一月一日或以後開始之年度期間生效，可予提早應用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS AND REQUIREMENTS (Continued)

(c) New Hong Kong Companies Ordinance (Cap. 622)

The requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap 622) came into operation during the financial year. Although the Company is not incorporated in Hong Kong, the Listing Rules require the Company to comply with the disclosure requirements of the new Hong Kong Companies Ordinance (Cap.622). As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(d) Amendments to the Listing Rules

The Stock Exchange in April 2015 released revised Appendix 16 of the Listing Rules in relation to disclosure of financial information in annual reports that are applicable for accounting periods ending on or after 31 December 2015, with earlier application permitted. The Company has adopted the amendments resulting in changes to the presentation and disclosures of certain information in the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. leasehold land and certain financial instruments that are measured at fair value).

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

3. 採納新訂及經修訂香港財務報告準則(續)

(c) 新香港公司條例(第622章)

根據新香港公司條例(第622章)第9部有關「賬目及審計」之規定於本財政年度實施。雖然本公司並非於香港註冊，上市規則規定本公司須要遵從新香港公司條例(第622章)之披露要求。因此，綜合財務報表中某些資料之呈列及披露有所變更。

(d) 上市規則修訂

香港聯合交易所有限公司於二零一五年四月發佈經修定之上市規則附錄16有關適用於二零一五年十二月三十一日或之後完結之會計期間之年報內財務資料披露，可予提早應用。本公司已採納該等修訂，導致某些資料於綜合財務報表之呈報方式及披露有所改變。

4. 主要會計政策

除按下列會計政策外(以公平值計量之租賃土地及若干金融工具)，此等綜合財務報表乃按歷史成本作為編制基準。

編制符合香港財務報告準則的綜合財務報表須使用若干主要假設及估計，亦需要管理層於應用會計政策的過程中作出判斷。對此等綜合財務報表涉及高度之判斷及具複雜性及屬重大的假設及估計的範疇於綜合財務報表附註5中披露。

編制此等綜合財務報表所採用的主要會計政策載列如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

4. 主要會計政策(續)

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。附屬公司為本集團擁有控制權的實體。當本集團透過其能力影響另一實體之回報，並從參予該實體之運作而得到或有權利得到可變動之回報，則視為本集團對該實體擁有控制權。當本集團現有權利令其目前有能力主導相關活動(即對實體回報構成重大影響的活動)，則本集團對該實體擁有權力。

在評估本集團是否擁有控制權時，本集團會考慮潛在表決權以及其他各方所持潛在表決權。潛在表決權僅於持有人擁有實質能力可行使該項權利時方予考慮。

附屬公司於控制權轉移至本集團當日全面綜合計算，並於控制權終止當日不再作綜合處理。

因出售一間附屬公司而導致失去控制權的盈虧指(i)出售代價公平值加上於該附屬公司任何保留投資公平值與(ii)本公司應佔該附屬公司資產淨值加上與該附屬公司有關的任何餘下商譽以及與該附屬公司有關之任何相關累計外幣換算儲備兩者間的差額。

集團間的交易、結餘及未變現溢利會予以對銷。未變現虧損亦會予以對銷，除非交易有證據顯示所轉讓資產出現減值則除外。附屬公司的會計政策已於有需要時作出變動，以確保與本集團所採納的政策貫徹一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the Company's statement of financial position the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

4. 主要會計政策(續)

(a) 綜合賬目(續)

非控股權益指並非本公司直接或間接應佔之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內呈列。非控股權益於綜合損益表及綜合損益及其他全面收益表呈列為本公司非控股股東與擁有人應佔溢利或虧損及年內全面收益總額之分配。

即使會導致非控股權益出現赤字結餘，損益及其他全面收益各部分仍歸屬於本公司擁有人及非控股股東。

本公司於不會導致失去控制權之附屬公司之擁有權權益變動計入權益交易(即以擁有人身分與擁有人進行之交易)。控股權益及非控股權益之賬面值已經調整，以反映其於附屬公司之相關權益變動。非控股權益之調整金額與已付或已收代價之公平值兩者間之任何差額直接於權益確認，並由本公司擁有人分佔。

於本公司之財務狀況表內，於附屬公司之投資按成本扣除減值虧損撥備列賬。本公司按已收及應收的股息作為基準把附屬公司之業績列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

4. 主要會計政策(續)

(b) 業務合併及商譽

於業務合併中收購附屬公司乃按收購會計法處理。於業務合併中轉移之代價按交易日所交付資產、所發行股本工具、所產生或承擔之負債及或然代價之公平值計算。與收購有關之成本於產生成本及獲得服務之期間確認為開支。所收購附屬公司之可識別資產及負債按收購當日之公平值計算。

轉移之代價總和超出本公司攤分附屬公司可識別資產及負債之公平淨值之差額將以商譽列賬。本公司攤分可識別資產及負債之公平淨值高於收購成本之差額將於綜合損益表內確認為本公司應佔之議價收購收益。

分階段進行業務合併時，過往持有之附屬公司股本權益按收購日期之公平值重新計算，據此產生之損益則於綜合損益確認。公平值將計入代價總和，以計算商譽。

附屬公司之非控股權益初步以非控股股東於收購日在附屬公司中可識別資產及負債之公平值之股權比例計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill (Continued)

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (“CGUs”) or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the Company’s functional and presentation currency.

(ii) Transactions and balances in each entity’s financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

4. 主要會計政策(續)

(b) 業務合併及商譽(續)

經初步計量後，商譽以成本減累計減值虧損計量。就減值測試而言，於業務合併中收購的商譽將分配各個或各組預期將自該業務合併所產生之協同效應獲益的現金產生單位。各個或各組獲分配商譽的現金產生單位相當於本集團內最低層，其商譽就內部管理目的而受監察。對商譽之監察為營運部門水平。商譽減值檢討每年進行一次，倘發生任何事件或情況有變顯示潛在減值風險，檢討將更為頻密。載有商譽之現金產生單位的賬面值將與其可收回金額(即其使用價值或其公平值減出售成本之較高者)比較。任何減值將即時確認為開支並不可於其後撥回。

(c) 外幣換算

(i) 功能及呈列貨幣

本集團各實體的財務報表所納入的項目乃按實體經營業務所在主要經濟環境的貨幣(「功能貨幣」)計算。綜合財務報表以港元呈列，而港元為本公司的功能及呈列貨幣。

(ii) 各實體財務報表內的交易及結餘

外幣交易以交易日期適用的匯率換算為基本確認之功能貨幣。以外幣計值的貨幣資產及負債按每個報告期間完結時適用的匯率換算。該換算政策所產生的溢利及虧損列入損益內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Foreign currency translation (Continued)

(ii) Transactions and balances in each entity's financial statements (Continued)

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

4. 主要會計政策(續)

(c) 外幣換算(續)

(ii) 各實體財務報表內的交易及結餘(續)

按公平值以外幣計算的非貨幣項目以決定公平值當天之匯率換算。

當非貨幣項目的收益或虧損於全面收益中確認，任何該收益或虧損之匯兌部份於其他全面收益中確認。當非貨幣項目的收益或虧損於損益中確認，任何該收益或虧損之匯兌部份於損益中確認。

(iii) 綜合賬目時的換算

集團內所有功能貨幣與本公司呈列貨幣有別的實體，其業績及財務狀況乃按下列方式換算為本公司的呈列貨幣：

- 各財務狀況表所呈列的資產及負債均按結算日的收市匯率換算；
- 期內的收入及開支按平均匯率換算(除非該平均匯率並非為交易日期的適用匯率累計影響的合理約數，在該情況下，收入及開支按交易日期的匯率換算)；及
- 所產生的全部匯兌差額於其他全面收益內確認及於匯兌儲備內累計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Foreign currency translation (Continued)

(iii) Translation on consolidation (Continued)

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Property, plant and equipment

Property, plant and equipment, other than leasehold land (classified as finance leases), held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Leasehold land held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

4. 主要會計政策(續)

(c) 外幣換算(續)

(iii) 綜合賬目時的換算(續)

綜合賬目時，換算海外實體投資淨額及借貸所產生的匯兌差額於匯兌儲備內確認。當海外業務被出售，匯兌差額於綜合損益中重新分類至出售溢利或虧損的一部分。

收購海外實體所產生的商譽及公平值調整被視作海外實體的資產及負債，並按收市匯率換算。

(d) 物業、機器及設備

就生產用途或供應貨品或服務或行政目的持有之物業、機器及設備(不包括租賃土地(分類為融資租約)及下述在建物業)，乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表入賬。

只有在與項目相關的未來經濟效益有可能流入本集團，並能夠可靠地計量項目成本的情況下，本集團才會將其後成本計入為資產賬面值之一部分或確認為獨立資產項目(如適用)。所有其他維護及保養費用均需於產生時於該財務期間之損益確認。

就生產用途或供應貨品或服務或行政目的持有之租賃土地乃按彼等的重估金額(即於重估日期之公平值減任何其後累計折舊及其後累計減值虧損)於綜合財務狀況表入賬。重估每隔若干適當時間進行，以確保賬面值與於各報告期末以公平值釐定的數值不會出現重大偏差。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment (Continued)

Any revaluation increase arising on the revaluation of such land is recognised in other comprehensive income and accumulated in land revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the land revaluation reserve relating to a previous revaluation of that asset.

Depreciation of revalued land is recognised in profit or loss. On the subsequent sale or retirement of a revalued land, the attributable revaluation surplus remaining in the land revaluation reserve is transferred directly to retained earnings.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Buildings	5 to 20 years or over the unexpired term of lease
Leasehold land	over the unexpired term of lease
Leasehold improvements	shorter of 3 years and the unexpired term of lease
Plant and machinery	5 to 10 years
Computer equipment	3 to 5 years
Furniture, fixtures and office equipment	3 to 5 years
Motor vehicles	3 to 5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

4. 主要會計政策(續)

(d) 物業、機器及設備(續)

重估有關土地產生之重估增值會於其他全面收益內確認，並累計列入土地重估儲備。倘若某一資產之重估增值可抵銷同一資產過往於損益確認之重估減值，則該部份增值會以之前支出之減額為限計入損益。重估有關土地產生之賬面減值會於損益內確認，至其超過與該資產過往重估有關之土地重估儲備內之結餘(如有)為止。

經重估土地的折舊於損益確認。已重估土地其後出售或報廢時，留存於土地重估儲備的應佔重估盈餘乃直接轉撥至保留盈利。

物業、機器及設備之折舊乃於估計可使用年期內，以直線法按適當比率計算以撇銷其成本或重估金額減其剩餘價值。主要可用年期如下：

樓宇	5至20年或尚餘租賃年期
租賃土地	尚餘租賃年期
租賃物業裝修	3年或尚餘租賃年期(以較短者為準)
機器及設備	5至10年
電腦設備	3至5年
傢俬、固定裝置及辦公室設備	3至5年
汽車	3至5年

剩餘價值、可使用年期及折舊方法於各報告期末進行檢討及調整(如適用)。

在建工程指建設中的樓宇及待安裝的設備，按成本減減值虧損列賬。當有關資產可供使用時，折舊即開始。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment (Continued)

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(e) Leases

The Group as lessee

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

The Group as lessor

(i) Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(f) Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

(g) Patents and trademarks

Patents and trademarks are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 7 years.

(h) Club membership

Club membership with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the club membership has suffered an impairment loss.

4. 主要會計政策(續)

(d) 物業、機器及設備(續)

出售物業、機器及設備的收益或虧損指出售所得款項淨額與有關資產賬面值兩者間的差額，並於損益內確認。

(e) 租約

本集團為承租人

(i) 經營租約

將資產擁有權的所有風險及回報不會大部份轉移至本集團的租約列為經營租約。租約款項在扣除自出租人收取的任何獎勵金後，於租約期內以直線法確認費用。

本集團作為出租人

(i) 經營租賃

將資產擁有權的所有風險及回報不會大部份轉移至承租人的租賃列為經營租賃。經營租賃的租金收入按相關租賃期以直線法確認。

(f) 研究及開發支出

研究活動的支出於產生的期間作為開支確認。

(g) 專利及商標

專利及商標按成本扣除累計攤銷及減值虧損列賬。攤銷乃以直線法按彼等估計可使用期七年計算。

(h) 會所會籍

具無限可使用年期的會所會籍按成本減任何減值虧損列賬。會所會籍每年及當有跡象顯示出現減值虧損時，將進行減值檢討。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

4. 主要會計政策(續)

(i) 存貨

存貨按成本與可變現淨值兩者中的較低者入賬。成本乃按加權平均基準計量。製成品及在製品的成本包括原材料、直接勞工及所有生產經常性開支及分包開支(如適用)。可變現淨值按一般業務過程中的估計銷售價格減去估計完成成本及估計銷售所需費用計算。

(j) 確認及終止確認金融工具

金融資產及金融負債於本集團成為工具合約條文的訂約方時，將於綜合財務狀況表內確認。

倘從資產收取現金流的合約權利已到期，或本集團已將其於資產擁有的絕大部份風險及回報轉移，或本集團並無轉移及保留其於資產擁有權的絕大部份風險及回報但沒有保留對資產的控制權，則金融資產將被終止確認。於終止確認金融資產時，資產的賬面值與已收及應收代價及已直接於其他全面收益內確認的累計盈虧兩者總和的差額，將於損益內確認。

倘於有關合約的特定責任獲解除、取消或到期，則金融負債將被終止確認。終止確認的金融負債的賬面值與已付代價的差額將於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial assets within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either financial assets classified as held for trading or designated as at fair value through profit or loss upon initial recognition. These financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these financial assets are recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) minus any reduction for impairment or uncollectibility. Typically trade and other receivables, bank balances and cash are classified in this category.

4. 主要會計政策(續)

(k) 金融資產

金融資產乃按交易日基準(即購買或出售投資之合約條款所規定及經由所屬市場設定的時限交付該項投資之日)確認及終止確認,並初步按公平值加上直接應佔交易成本計量,惟按公平值計入損益賬的金融資產則除外。

本集團的金融資產歸為以下類別:按公平值計入損益賬、貸款及應收款項以及可供出售。有關分類取決於收購金融資產的目的。管理層於初步確認時釐定其金融資產的分類。

(i) 按公平值計入損益賬的金融資產

於初步確認時,按公平值計入損益的金融資產均為持作買賣或初步確認時指定為按公平值計入損益賬的投資。此等投資隨後按公平值計量。此等投資公平值變動引起的損益均在損益內確認。

(ii) 貸款及應收款項

貸款及應收款項指提供固定或可釐定付款之非衍生工具金融資產,其並無活躍市場報價。該等資產按攤銷成本以實際利率法(利息極低的短期應收款項除外)減任何減值削減或不可收回款項計算。一般應收賬項及其他應收款項、銀行結餘及現金乃分類為此類別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets (Continued)

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are not classified as loans and receivables or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income and accumulated in the investment revaluation reserve, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss. Interest calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost less impairment losses.

(l) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

4. 主要會計政策(續)

(k) 金融資產(續)

(iii) 可供出售金融資產

可供出售金融資產指並非分類為貸款及其他應收款項的非衍生金融資產或透過損益以公平值列賬的金融資產。可供出售金融資產其後按公平值計量。因該等投資的公平值變動而產生的收益或虧損於其他全面收益確認，直至出售該等投資或有客觀證據顯示投資出現減值為止，屆時之前於其他全面收益確認的累計收益或虧損會重新由權益分類至損益。利息按實際利率法計算。可供出售股本投資之股息於損益中確認。

投資於並無活躍市場的市價報價且其公平值未能可靠計量的股本投資，及與該等無報價股本工具掛鉤及其作結算的衍生工具，按成本值減減值虧損計算。

(l) 應收賬款及其他應收款項

應收賬款為在日常業務過程中因出售商品或提供服務而應收客戶之款項。倘應收賬款及其他應收款項預計將在一年或以內收回(或屬正常業務經營週期(倘較長)內)，則分類為流動資產。否則，則呈列為非流動資產。

應收賬款及其他應收款項初步按公平值確認，其後以實際利率法按攤銷成本減除減值撥備計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(n) Non-current assets held for sale and discontinued operations

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. The Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of the asset's or disposal group's previous carrying amount and fair value less costs to sell.

(o) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

4. 主要會計政策(續)

(m) 現金及現金等價物

就現金流量表而言，現金及現金等價物指銀行及手頭現金、存放於銀行及其他財務機構的活期存款以及可隨時兌換為已知數額現金且所承受價值變動風險不大的短期高度流通投資。須按要求償還並構成本集團現金管理主要部分的銀行透支亦計入為現金及現金等價物一部分。

(n) 持作銷售的非流動資產及已終止業務

非流動資產或出售組別之賬面值如可透過出售交易而非透過持續使用而收回，則會分類為持作銷售。此條件僅於很有可能達成出售及資產或出售組別可於現況下即時出售時方告符合。本集團必須對出售作出承擔，而出售預期應可於分類日期起計一年內合資格確認為已完成出售。

分類為持作銷售之非流動資產或出售組別乃按該資產或出售組別的以往賬面值與公平值兩者中之較低者減出售成本計量。

(o) 金融負債及股本工具

金融負債及股本工具乃根據所訂立的合約安排性質及根據香港財務報告準則對金融負債及股本工具的定義而分類。股本工具為證明於本集團經扣除其所有負債後的資產中所剩餘權益的任何合約。就特定金融負債及股本工具而採納的會計政策載於下文。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial liabilities and equity instruments (Continued)

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(ii) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(p) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Revenues from the sales of manufactured goods and trading of raw materials are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

Interest income is recognised on a time-proportion basis using the effective interest method.

Rental income is recognised on a straight-line basis over the lease term.

4. 主要會計政策(續)

(o) 金融負債及股本工具(續)

(i) 借貸

借貸初步按公平值扣除所產生的交易成本確認，其後則以實際利率法按攤銷成本值計量。

除非本集團擁有無條件權利，可將負債的償還日期遞延至報告期間完結後至少十二個月，否則借貸被分類為流動負債。

(ii) 貿易及其他應付款項

貿易及其他應付款項初步按公平值列賬，其後則以實際利率法按攤銷成本值計量，貼現影響微少則作別論，在該情況下，則按成本值列賬。

(iii) 股本工具

本公司發行的股本工具按已收的所得款項，扣除直接發行費用列賬。

(p) 收入確認

收入乃按已收或應收代價的公平值計量，並於經濟利益有可能流入本集團且收益金額能可靠計量時確認。

銷售生產的貨品及原材料貿易的收入於擁有權的大部分風險及回報轉讓時確認。所有權轉讓通常與貨品交付及業權轉讓予客戶的時間相同。

利息收入按時間比例用實際利率法確認。

租金收入按租賃期內以直線法確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

(r) Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

4. 主要會計政策(續)

(q) 僱員福利

(i) 僱員享有的假期

僱員年假及長期服務假於僱員享有時確認，並已就僱員因截至報告期間完結時止所提供服務享有的年假及長期服務假的估計負債作出撥備。

僱員病假及產假於放假時始確認。

(ii) 退休金承擔

本集團向定額供款退休金計劃作出供款，全體僱員均可參與該計劃。供款由本集團及僱員按僱員基本薪金的百分比作出。自損益扣除的退休福利計劃成本指本集團應向該基金支付的供款。

(iii) 離職福利

離職福利於本集團不再撤回福利邀約與本集團確認重組成本及涉及支付離職福利當日(以較早者為準)確認。

(r) 以股權結算之款項

本集團向若干僱員發行以股權結算以股份支付的款項。以股權結算以股份支付的款項乃於授出當日按股本工具的公平值(不包括非市場歸屬條件的影響)計量。於按股權結算以股份支付的款項授出當日釐定的公平值，根據本集團所估計最終就非市場歸屬條件歸屬及調整的股份，按歸屬期以直線法支銷。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(t) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. 主要會計政策(續)

(s) 借貸成本

直接源自收購、建造或生產合資格資產，而有關資產需要一段長時間方可供作擬定用途或出售的借貸成本，會撥充該等資產成本部分，直至該資產大致上可供作擬定用途或出售為止。尚未用於合資格資產的特定借貸作短期投資賺取的投資收入，會於合資格資本化的借貸成本中扣除。

對於一般性借入資金用於獲取一項合資格的資產，可予資本化的借貸成本乃以在該資產的支出應用一個資本化比率釐定。資本化比率為期內適用於本集團尚未償還借款(用於獲取一項合資格的資產的借貸除外)的借貸成本的加權平均值。

所有借貸成本乃於其產生期間在損益中確認。

(t) 政府補助金

如有合理保證本集團將收取政府補助金，且所有附帶條件將獲遵守，則確認政府補助金。

與收入有關之政府補助金就其與擬補償成本配對之所需期間於損益遞延及確認。

作為開支或已承受的虧損的補償或提供即時財務資助而可收取(並無日後相關成本)的政府補助金，乃於其成為可收取的期間於損益確認為收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

4. 主要會計政策(續)

(u) 稅項

所得稅為即期稅項與遞延稅項的總和。

即期稅項乃按本年度應課稅溢利計算。應課稅溢利與損益中所確認的溢利不同，因應課稅溢利不包括在其他年度應課稅收入或可扣減開支項目，而且不包括永遠毋須課稅及不可扣稅項目。本集團的即期稅項負債乃按報告期間完結前已頒佈或實質頒佈的稅率計算。

遞延稅項乃就綜合財務報表中資產及負債的賬面值與用作計算應課稅溢利的相應稅基間的差額確認。遞延稅項負債通常會就所有應課稅暫時差異確認，遞延稅項資產僅於可能有應課稅溢利而動用暫時性差異、未動用稅項虧損或未動用稅項資產可予以抵銷時方予以確認。於一項交易中，倘因商譽或其他資產及負債之初步確認(業務合併除外)而產生的暫時差異且不影響應課稅溢利及會計溢利時，則該等資產及負債不會予以確認。

遞延稅項負債乃就投資於附屬公司而產生的應課稅暫時差異予以確認，惟倘本集團能控制撥回暫時差異以及暫時差異在可見將來不會被撥回則作別論。

遞延稅項資產的賬面值於各報告期間完結時均會作出檢討，並在預期不再有足夠應課稅溢利可令全部或部份資產變現時作出相應減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(v) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

4. 主要會計政策(續)

(u) 稅項(續)

遞延稅項乃以預期於償還負債或變現資產即期應用的稅率並基於報告期間完結前頒佈或實質頒佈的稅率計算。遞延稅項會於損益中確認，惟遞延稅項與已於其他全面收益中或直接於權益中確認的相關聯者則除外，在此情況下，遞延稅項亦會於其他全面收益中或直接於權益中確認。

遞延稅項資產及遞延稅項負債之計量反映本集團於報告期間結束時預計收回或結算資產及負債賬面值之方式而引致之稅務後果。

倘有法定可行使權利可以即期稅項資產抵銷即期稅項負債，且彼等為關乎同一稅務機構徵收的所得稅，且本集團擬按淨額基準結算即期稅項資產及負債，則遞延稅項資產與負債會予以抵銷。

(v) 非金融資產減值

非金融資產之賬面值於各報告期檢討有無減值跡象，倘資產已減值，則透過綜合損益表以開支撇減至其估計可收回金額，惟倘有關資產乃按重估金額列賬，則減值虧損按重估減少處理。可收回金額乃就個別資產釐定，惟倘資產並無產生大部分獨立於其他資產或資產組合之現金流入，則可收回金額就資產所屬之現金產生單位釐定。可收回金額為個別資產或現金產生單位之使用價值與其公平值減出售成本兩者中之較高者。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of non-financial assets (Continued)

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(w) Impairment of financial assets

At the end of each reporting period, the Group assesses whether its financial assets (other than those at fair value through profit or loss) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected.

In addition, for trade receivables that are assessed not to be impaired individually, the Group assesses them collectively for impairment, based on the Group's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

4. 主要會計政策(續)

(v) 非金融資產減值(續)

使用價值為資產／現金產生單位估計未來現金流量之現值。現值按反映貨幣時間值及資產／現金產生單位(已計量減值)之特有風險之稅前貼現率計算。

現金產生單位之減值虧損首先用於抵銷單位商譽，然後於現金產生單位的其他資產之間按比例分配。隨後估計變動導致的可收回金額增長計入損益，直至撥回減值。惟倘有關資產乃按重估金額列賬，則減值虧損的撥回按重估增加處理。

(w) 金融資產減值

於各報告期末，本集團均會根據客觀證據(即(一組)金融資產之估計未來現金流量由初步確認後發生之一項或多項事件而受到影響)評估其金融資產(按公平值計入損益的金融資產除外)有否減值。

此外，就單獨評估並無減值之應收賬項而言，本集團將根據本集團之過往收款經驗、投資組合內延遲還款之增加、與應收款項違約情況有連帶關係之經濟狀況出現明顯改變等共同評估有否減值。

僅應收賬項之賬面值會使用撥備賬扣減，而其後收回之前已撇銷之數額乃計入撥備賬。撥備賬之賬面值變動於損益中確認。

就所有其他金融資產而言，賬面值會直接按減值虧損作出扣減。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Impairment of financial assets (Continued)

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

(x) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(y) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. 主要會計政策(續)

(w) 金融資產減值(續)

就按攤銷成本計量的金融資產而言，倘減值虧損之金額於其後期間減少，而該減少可以客觀地與確認減值後發生之一項事件有關，則先前已確認之減值虧損透過損益撥回(直接或藉著調整應收賬項之撥備賬)。然而，撥回不得導致賬面值高於假定並無確認減值該項金融資產於撥回減值當日之攤銷成本。

(x) 撥備及或然負債

倘本集團因過往事件承擔現有法定或推定責任而可能需要經濟利益流出以履行有關責任並可作出可靠估計，便會就無確定時間或金額的負債確認撥備。倘款項的時間價值重大，撥備會以履行責任預期所需開支的現值列報。

倘不大可能需要經濟利益流出，或有關款額不能可靠估量，有關責任則按或然負債披露，除非導致經濟利益流出的可能性極低，則作別論。可能承擔的責任(其存在與否僅藉一項或多項未來事件的發生與否而確定)亦按或然負債披露，除非導致經濟利益流出的可能性極低，則作別論。

(y) 報告期間完結後事項

報告期間完結後事項提供本集團於報告期間完結時狀況的額外資料，此等為調整事項並反映於財務報表。如屬非調整事項的報告期間完結後事項，倘屬重大時，則於綜合財務報表附註內披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Allowances for inventories

The directors identify obsolete and slow-moving inventory items that are no longer suitable for use in production at the end of each reporting period. The directors estimate the net realisable value for such inventories based primarily on the latest selling prices and costs of completion and selling expenses estimated at current operation conditions. The directors carry out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete items.

Where the actual outcome or expectation in future is different from the original estimates, such differences will impact the carrying value of inventories and allowance/write-back in the period in which such estimates have been changed.

The allowance on inventories as at 31 December 2015 was approximately HK\$19,599,000 (2014: HK\$7,350,000).

(b) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. These estimates are based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 December 2015 was approximately HK\$899,035,000 (2014: HK\$850,414,000).

5. 估計不明朗因素的主要來源

下文討論有關未來之主要假設及於報告期間完結時之其他主要不確定估計來源，而該等假設及不確定估計可能導致下一個財政年度資產及負債賬面值須作出重大調整之重大風險。

(a) 存貨撥備

董事於各報告期間完結時識別一些不再適合生產的過時及滯銷存貨項目。董事主要根據最新售價及現時經營狀況下的預計完成成本及銷售開支估計該等存貨的可變現淨值。董事於每個報告期間完結時對存貨逐一進行檢查，並對過時項目作出撥備。

倘實際結果或日後預期與原定估計有差異，則該等差異將影響存貨賬面值及期間的撥備/撥回值。

於二零一五年十二月三十一日，存貨撥備賬面值為數約19,599,000港元(二零一四年：7,350,000港元)。

(b) 物業、機器及設備以及折舊

本集團釐定其物業、機器及設備的估計可使用年限、剩餘價值及相關折舊開支。此等估算乃根據類似性質及功能的物業、機器及設備的實際可使用年期的過往經驗作出。當可使用年限及剩餘價值與先前估算不同時，本集團將修訂折舊開支或將已棄用在技術上過時或屬非策略性的資產撇銷或撇減。

於二零一五年十二月三十一日，物業、機器及設備賬面值為數約899,035,000港元(二零一四年：850,414,000港元)。

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(c) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

The allowance on trade receivables as at 31 December 2015 were approximately HK\$53,000 (2014: HK\$2,113,000). No allowance was made on other receivables as at 31 December 2015.

(d) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the year, HK\$5,410,000 (2014: HK\$26,707,000) of income tax was charged to profit or loss based on the estimated profit from continuing operations.

(e) Fair values of leasehold land

The Group appointed an independent professional valuer to assess the fair values of the leasehold land. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

The carrying amount of leasehold land as at 31 December 2015 was approximately HK\$215,900,000 (2014: HK\$175,400,000).

5. 估計不明朗因素的主要來源 (續)

(c) 呆壞賬的減值虧損

本集團根據對貿易及其他應收款項的可收回性評估(包括各債務人的現時信譽及過往還款記錄)就呆壞賬作出減值虧損。減值於發生事件或情況出現轉變,顯示或不能夠收回結餘時產生。識別呆壞賬須運用判斷及估計。倘實際結果有別於原先估計,則有關差異將會影響年內貿易及其他應收款項以及呆賬開支的賬面值。

於二零一五年十二月三十一日,貿易應收款項撥備約53,000港元(二零一四年:2,113,000港元)。於二零一五年十二月三十一日沒有為其他應收賬款作出撥備。

(d) 所得稅

本集團須在多個司法權區繳納所得稅。於釐定所得稅撥備時須作出重要估計。在日常業務過程中有多項交易及計算方式,均會導致不能確定最終稅項。倘若該等事情最終所得之稅項與最初錄得之款額有所差異,有關差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。於本年度,根據持續經營業務的估計溢利計入損益的所得稅為5,410,000港元(二零一四年:26,707,000港元)。

(e) 租賃土地的公平值

本集團委任獨立專業估值師評估租賃土地的公平值。於釐定公平值時,估值師利用的估值方法涉及若干估計。董事已行使判斷,並信納估值方法反映現行市況。

於二零一五年十二月三十一日,租賃土地的賬面值為數約215,900,000港元(二零一四年:175,400,000港元)。

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綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(f) Fair value of financial assets/liabilities at fair value through profit or loss

As disclosed in notes 7 and 27 to the consolidated financial statements, the fair values of the financial assets/liabilities at fair value through profit or loss at the end of the reporting period were determined using marking-to-market approach and discounted cash flow method. Application of discounted cash flow method requires the Group to estimate the prominent factors affecting the fair value, including but not limited to, the assigned value based on the current price of that instrument and expected rate of return. Where the estimation on these factors is different from those previously estimated, such differences will impact the fair value gain or loss of the financial instrument in the period in which such determination is made.

The carrying amount of financial assets and financial liabilities at fair value through profit or loss as at 31 December 2015 were approximately HK\$Nil (2014: HK\$614,000) and HK\$78,368,000 (2014: HK\$8,888,000) respectively.

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in HK\$, United States dollars ("USD") and Renminbi ("RMB"). The Group currently does not have a foreign currency hedging policy in respect of other foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

5. 估計不明朗因素的主要來源 (續)

(f) 按公平值計入損益賬的金融資產／負債的公平值

誠如綜合財務報表附註7及27所披露，按公平值計入損益賬的金融資產／負債於報告期末的公平值，乃利用按市價計值法及折現現金流法釐定。應用折現現金流法要求本集團估計影響公平值的主要因素，包括但不限於根據有關工具現價計算的分配值及預期回報率。倘對該等因素的估計有別於先前所估計，則有關差額將影響釐定期間金融工具的公平值收益或虧損。

於二零一五年十二月三十一日，按公平值計入損益的金融資產及金融負債分別為零港元(二零一四年：614,000港元)及78,368,000港元(二零一四年：8,888,000港元)。

6. 財務風險管理

本集團因經營業務而承受多項財務風險：外匯風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃集中在金融市場的不可預測性，故務求降低本集團財務表現所受到的潛在負面影響。

(a) 外匯風險

由於本集團大部分商務交易、資產及負債主要以港元、美元(「美元」)及人民幣(「人民幣」)列值，故本集團面對若干外匯風險。本集團現時並無就外匯交易、資產及負債採取外匯對沖政策。本集團將密切監察其外匯風險，並將考慮於需要時對沖重大外匯風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

6. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (Continued)

At 31 December 2015, if HK\$ had weakened 0.5 per cent (2014: 0.5 per cent) against USD with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$717,000 lower (2014: consolidated profit after tax HK\$950,000 higher), arising mainly as a result of the foreign exchange gain on trade receivables and bank balances denominated in USD, but partly offset by the foreign exchange loss on trade and other payables and bank borrowings denominated in USD (2014: foreign exchange gain on trade receivables and bank balances denominated in USD, but partly offset by the foreign exchange loss on trade payables and bank borrowings denominated in USD). If HK\$ had strengthened 0.5 per cent (2014: 0.5 per cent) against USD with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$717,000 higher (2014: consolidated profit after tax HK\$950,000 lower), arising mainly as a result of the foreign exchange loss on trade receivables and bank balances denominated in USD, but partly offset by the foreign exchange gain on trade and other payables and bank borrowings denominated in USD (2014: foreign exchange loss on trade receivables and bank balances denominated in USD, but partly offset by the foreign exchange gain on trade payables and bank borrowings denominated in USD).

6. 財務風險管理(續)

(a) 外匯風險(續)

於二零一五年十二月三十一日，倘港元兌美元貶值0.5%（二零一四年：0.5%），而其他所有變數維持不變，則年內除稅後綜合虧損將減少約717,000港元（二零一四年：除稅後綜合溢利增加950,000港元），主要由於以美元計值的貿易應收款項及銀行結餘產生外匯收益所致，惟部份影響被以美元計值之貿易和其他應付款項及銀行借款產生外匯虧損所抵銷（二零一四年：以美元計值的貿易應收款項及銀行借款產生外匯收益所致，惟部份影響被以美元計值之貿易應付款項及銀行借款產生外匯虧損所抵銷）。倘港元兌美元升值0.5%（二零一四年：0.5%），而其他所有變數維持不變，則年內除稅後綜合虧損將增加約717,000港元（二零一四年：除稅後綜合溢利減少950,000港元），主要由於以美元計值的貿易應收款項及銀行結餘產生外匯虧損所致，惟部份影響被以美元計值之貿易和其他應付款項及銀行借款產生外匯收益所抵銷（二零一四年：以美元計值的貿易應收款項及銀行結餘產生外匯虧損所致，惟部份影響被以美元計值之貿易應付款項及銀行借款產生外匯收益所抵銷）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

6. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (Continued)

At 31 December 2015, if HK\$ had weakened 5 per cent (2014: 1 per cent) against RMB with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$5,021,000 lower (2014: consolidated profit after tax HK\$978,000 higher), arising mainly as a result of the foreign exchange gain on other receivables and bank balances denominated in RMB held by Hong Kong subsidiaries, and the foreign exchange gain on amounts due to group companies denominated in HK\$ incurred by the subsidiaries operating in the People's Republic of China (the "PRC") (2014: foreign exchange gain on trade receivables and bank balances denominated in RMB held by Hong Kong subsidiaries, and the foreign exchange gain on trade and other payables denominated in HK\$ held by the subsidiaries operating in the People's Republic of China). If HK\$ had strengthened 5 per cent (2014: 1 per cent) against RMB with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$5,021,000 higher (2014: consolidated profit after tax HK\$978,000 lower), arising mainly as a result of the foreign exchange loss on other receivables and bank balances denominated in RMB held by Hong Kong subsidiaries, and the foreign exchange loss on amounts due to group companies denominated in HK\$ incurred by the subsidiaries operating in the PRC (2014: the foreign exchange loss on trade receivables and bank balances denominated in RMB held by Hong Kong subsidiaries, and the foreign exchange loss on trade and other payables denominated in HK\$ held by the subsidiaries operating in the PRC).

6. 財務風險管理(續)

(a) 外匯風險(續)

於二零一五年十二月三十一日，倘港元兌人民幣貶值5%（二零一四年：1%），而其他所有變數維持不變，則年內除稅後綜合虧損將減少約5,021,000港元（二零一四年：除稅後綜合溢利增加978,000港元），主要由於於香港營運之附屬公司以人民幣計值之貿易應收款項及銀行結餘產生之外匯收益，及於中華人民共和國（「中國」）營運之附屬公司以港元計值之應付集團公司款項產生外匯收益所致（二零一四年：於香港營運之附屬公司以人民幣計值之貿易應收款項及銀行結餘產生外匯收益，和於中國營運之附屬公司以港元計值之貿易和其他應付款項產生之外匯收益所致）。倘港元兌人民幣升值5%（二零一四年：1%），而其他所有變數維持不變，則年內除稅後綜合虧損將增加約5,021,000港元（二零一四年：除稅後綜合溢利減少978,000港元），主要由於於香港營運之附屬公司以人民幣計值之貿易應收款項及銀行結餘產生之外匯虧損，及於中國營運之附屬公司以港元計值之應付集團公司款項產生外匯虧損所致（二零一四年：於香港營運之附屬公司以人民幣計值之貿易應收款項及銀行結餘產生之外匯虧損所致，和於中國營運之附屬公司以港元計值之貿易和其他應付款項及銀行結餘產生之外匯虧損所抵銷）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

6. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (Continued)

At 31 December 2015, if RMB had weakened 5 per cent (2014: 1 per cent) against USD with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$4,248,000 lower (2014: consolidated profit after tax HK\$843,000 higher), arising mainly as a result of the foreign exchange gain on trade receivables of the PRC subsidiaries denominated in USD. If RMB had strengthened 5 per cent (2014: 1 per cent) against USD with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$4,248,000 higher (2014: consolidated profit after tax HK\$843,000 lower), arising mainly as a result of the foreign exchange loss on trade receivables of the PRC subsidiaries denominated in USD.

At 31 December 2015, if RMB had weakened 5 per cent (2014: 1 per cent) against USD with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$49,128,000 higher (2014: consolidated profit after tax HK\$2,084,000 lower), arising mainly as a result of the loss on the USD to RMB forward contract included in the financial assets/liabilities at fair value through profit or loss. If RMB had strengthened 5 per cent (2014: 1 per cent) against USD with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$49,128,000 lower (2014: consolidated profit after tax HK\$2,084,000 higher), arising mainly as a result of the gain on the USD to RMB forward contract included in the financial assets/liabilities at fair value through profit or loss.

6. 財務風險管理(續)

(a) 外匯風險(續)

於二零一五年十二月三十一日，倘人民幣兌美元貶值5%（二零一四年：1%），而其他所有變數維持不變，則年內除稅後綜合虧損將減少約4,248,000港元（二零一四年：除稅後綜合溢利增加843,000港元），主要由於於中國營運之附屬公司以美元計值之貿易應收款項產生外匯收益所致。倘人民幣兌美元升值5%（二零一四年：1%），而其他所有變數維持不變，則年內除稅後綜合虧損將增加約4,248,000港元（二零一四年：除稅後綜合溢利減少843,000港元），主要由於於中國營運之附屬公司以美元計值之貿易應收款項產生外匯虧損所致。

於二零一五年十二月三十一日，倘人民幣兌美元貶值5%（二零一四年：1%），而其他所有變數維持不變，則年內除稅後綜合虧損將增加約49,128,000港元（二零一四年：除稅後綜合溢利減少2,084,000港元），主要由按公平值計入損益賬的金融資產／負債中之美元兌人民幣遠期合約的虧損所致。倘人民幣兌美元升值5%（二零一四年：1%），而其他所有變數維持不變，則年內除稅後綜合虧損將減少約49,128,000港元（二零一四年：除稅後綜合溢利增加2,084,000港元），主要由按公平值計入損益賬的金融資產／負債中之美元兌人民幣遠期合約的收益所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The percentage of trade receivables due from the Group's largest customer and due from the Group's five largest customers in aggregate to the Group's total trade receivables are as follows:

	2015 二零一五年 %	2014 二零一四年 %
	百分比	百分比
Due from the Group's largest customer 應收本集團最大客戶款項	14	22
Due from the Group's five largest customers 應收本集團五大客戶款項	57	70

The Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

The credit risk on pledged bank deposits, restricted bank balance and bank and cash balances and financial assets at fair value through profit or loss is limited because the counterparties are well-recognised banks in Hong Kong and the PRC and licensed banks in the United States of America (the "USA").

6. 財務風險管理(續)

(b) 信貸風險

本集團最大客戶及五大客戶的貿易應收款項總值佔本集團貿易應收款項總額的百分比如下：

本集團訂有政策，以確保只向信貸記錄良好的客戶銷售產品。

由於交易對手方均為於香港及中國廣泛認同的銀行和美利堅合眾國(「美國」)的持牌銀行，故已抵押銀行存款、有限制銀行存款、銀行及現金結餘及按公平值計入損益賬之金融資產的信貸風險有限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements, its compliance with lending covenants and its relationship with its bankers to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's bank borrowings and other financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates currently at the end of the reporting period) and the earliest date the Group can be required to pay.

Specifically, for bank loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for other financial liabilities is prepared based on the scheduled repayment dates.

6. 財務風險管理(續)

(c) 流動資金風險

本集團之政策為定期監察其流動資金需要、其遵守借款契諾及其與銀行之關係，以確保其維持足以應付短期及較長遠之重要融資需要之現金儲備及可隨時變現有價證券以及資金之已承諾額度。

下表列示按未折現現金流量(包括按合約利率或(如為浮息)按報告期末的現行利率計算的利息金額)及本集團可能須還款的最早日期呈列的本集團於報告期末的銀行借款及其他金融負債的餘下合約期限。

具體而言，對於銀行可全權酌情行使的按要求償還條款的定期貸款，有關分析按可能須還款的最早期間(即倘貸款人擬行使其無條件權利要求即時償還貸款)呈列現金流量，其他金融負債的到期日分析則按預定還款期編制。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

6. 財務風險管理(續)

(c) 流動資金風險(續)

		2015					
		二零一五年					
		Maturity Analysis – Undiscounted cash outflows					
		到期日分析 – 未折現現金流出					
		On demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total undiscounted cash outflows	
			Within 1 year	year but less than 2 years	years but less than 5 years	More than 5 years	未折現現金 流出總額
		按要求	一年內	但少於兩年	但少於五年	五年以上	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債	-	52,434	26,747	-	-	79,181
Bank borrowings	銀行借款	404,536	18,161	76,042	118,026	-	616,765
Other payables and accruals	其他應付款項及應計費用	24	80,158	-	-	-	80,182
Trade payables	應付貿易款項	63,010	163,058	-	-	-	226,068
Due to a related company	應付關連公司款項	1,895	-	-	-	-	1,895
		469,465	313,811	102,789	118,026	-	1,004,091

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

6. 財務風險管理(續)

(c) 流動資金風險(續)

		2014					
		二零一四年					
		Maturity Analysis – Undiscounted cash outflows					
		到期日分析 – 未折現現金流出					
		On demand	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total undiscounted cash outflows
				一年以上	兩年以上		未折現金
		按要求	一年內	但少於兩年	但少於五年	五年以上	流出總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債	-	8,888	-	-	-	8,888
Bank borrowings	銀行借款	477,970	45,358	28,250	-	-	551,578
Other payables and accruals	其他應付款項及應計費用	493	87,005	-	-	-	87,498
Trade payables	應付貿易款項	203,142	68,848	-	-	-	271,990
Due to a related company	應付關連公司款項	899	-	-	-	-	899
Due to a director	應付董事款項	1,860	-	-	-	-	1,860
		684,364	210,099	28,250	-	-	922,713

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

The following table summarises the maturity analysis of bank borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis contained above.

6. 財務風險管理(續)

(c) 流動資金風險(續)

下表概述根據附有按要求償還條款的銀行借款按貸款協議載列的議定還款日期的到期日分析。該等金額包括按合約利率計算的利息款項。因此，該等金額較上文所載到期日分析中「按要求」時間範圍內披露的金額為高。

		Maturity Analysis – bank borrowings subject to a repayment on demand clause based on scheduled repayments 到期日分析 – 按預定還款期附有按要求償還條款的銀行借貸				
		On demand or within 1 year 按要求或 一年內 HK\$'000 千港元	More than 1 year but less than 2 years 一年以上 但少於兩年 HK\$'000 千港元	More than 2 years but less than 5 years 兩年以上 但少於五年 HK\$'000 千港元	More than 5 years 五年以上 HK\$'000 千港元	Total undiscounted cash outflows 未折現現金 流出總額 HK\$'000 千港元
31 December 2015	二零一五年十二月三十一日					
Bank borrowings	銀行借款	336,011	48,352	45,150	-	429,513
31 December 2014	二零一四年十二月三十一日					
Bank borrowings	銀行借款	419,471	33,445	31,699	-	484,615

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

6. FINANCIAL RISK MANAGEMENT (Continued)

(d) Interest rate risk

The Group's exposure to interest rate risk arises from its bank deposits, short term and long term borrowings. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

At 31 December 2015, if interest rates at that date had been 10 basis points (2014: 10 basis point) lower with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$370,000 lower (2014: consolidated profit after tax HK\$112,000 higher), arising mainly as a result of lower interest expenses on bank borrowings but partly offset by lower interest income on bank balances. If interest rates had been 100 basis points (2014: 100 basis points) higher, with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$3,700,000 higher (2014: consolidated profit after tax HK\$1,116,000 lower), arising mainly as a result of higher interest expenses on bank borrowings but partly offset by higher interest income on bank balances.

(e) Categories of financial instruments at 31 December 2015

6. 財務風險管理(續)

(d) 利率風險

本集團的利率風險來自其銀行存款、短期及長期借款。該等存款及借款按跟隨當時市場狀況而變動的不同利率計息。

於二零一五年十二月三十一日，倘利率下跌10個基點(二零一四年：10個基點)，而其他所有變數維持不變，則年內除稅後綜合虧損將減少約370,000港元(二零一四年：除稅後綜合溢利增加112,000港元)，主要由於銀行借款的利息開支減少所致，惟部份影響會由銀行結餘的利息收入減少所抵銷。倘利率上升100個基點(二零一四年：100個基點)，而其他所有變數維持不變，則年內除稅後綜合虧損將增加約3,700,000港元(二零一四年：除稅後綜合溢利減少1,116,000港元)，主要由於銀行借款的利息開支增加所致，惟部份影響會由銀行結餘的利息收入增加所抵銷。

(e) 於二零一五年十二月三十一日金融工具之分類

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Financial assets:	金融資產：		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及等同現金項目)	677,284	736,485
Financial assets at fair value through profit or loss:	按公平值計入損益賬的 金融資產：		
Held for trading	持作買賣	-	614
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本計算之金融負債	911,732	884,217
Financial liabilities at fair value through profit or loss:	按公平值計入損益賬的 金融負債：		
Held for trading	持作買賣	78,368	8,888

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綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

6. FINANCIAL RISK MANAGEMENT (Continued)

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset and liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

6. 財務風險管理(續)

(f) 公平值

本集團之金融資產及金融負債於綜合財務狀況表反映之賬面值概若相等於各自之公平值。

7. 公平值計量

公平值指市場參與者之間於計量日期在有序交易中出售資產將收取或轉讓負債將支付的價格。下文披露使用公平值等級計量的公平值，用作計量公平值的估值方法參數據此分為三個級別：

第1層：集團可於計量日期獲得之相同資產及負債於活躍市場之報價(未經調整)。

第2層：第一層所包括於報價以外，資產及負債直接或間接觀察得出之參數。

第3層：資產或負債不可觀察之參數。

本集團的政策為確認截至事件或變化日期導致轉讓的任何三個級別轉入及轉出情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

7. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy:

7. 公平值計量(續)

(a) 公平值等級架構披露:

Description	項目	Fair value measurement using:			Total 總數 2015 二零一五年 HK\$'000 千港元
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	
Recurring fair value measurements:		經常性公平值計量:			
Leasehold land		租賃土地			
Commercial – Hong Kong	商業 – 香港	-	-	36,000	36,000
Commercial – the PRC	商業 – 中國	-	-	179,900	179,900
Total	合計	-	-	215,900	215,900
Recurring fair value measurements:		經常性公平值計量:			
Financial liabilities		金融負債			
Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債				
Contingent consideration payable	應付或然代價	-	-	7,166	7,166
Derivatives – currency forward contracts	衍生工具 – 遠期外匯合約	-	71,121	-	71,121
Derivatives – interest rate swap	衍生工具 – 利率掉期	-	81	-	81
		-	71,202	7,166	78,368

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

7. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy: (Continued)

Description	項目	Fair value measurement using: 公平值計量利用：			Total 總數
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Recurring fair value measurements: 經常性公平值計量：					
Financial assets 金融資產					
Financial assets at fair value through profit or loss	按公平值計入損益賬的金融資產				
Derivatives – currency forward contracts	衍生工具—遠期外匯合約	–	614	–	614
Leasehold land 租賃土地					
Commercial – Hong Kong	商業—香港	–	–	35,000	35,000
Commercial – the PRC	商業—中國	–	–	140,400	140,400
		–	–	175,400	175,400
Total	合計	–	614	175,400	176,014

Recurring fair value measurements: 經常性公平值計量：

Financial liabilities 金融負債

Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債				
Derivatives – currency forward contracts	衍生工具—遠期外匯合約	–	8,888	–	8,888

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

7. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of assets/(liabilities) measured at fair value based on level 3:

7. 公平值計量(續)

(b) 根據第三層公平值計量的資產/(負債)對賬:

		Properties held for own use – Leasehold land 持作自用物業 – 租賃土地 HK\$'000 千港元	Contingent consideration payable 應付或然代價 HK\$'000 千港元	2015 Total 總計 HK\$'000 千港元
At beginning of year	年初	175,400	–	175,400
Additions	添置	–	(6,750)	(6,750)
Recognised in profit or loss:	於損益中確認:			
Depreciation charge for the year recognised in cost of sales and general and administrative expenses	年內於銷售成本及一般及行政開支中確認之折舊開支	(4,349)	–	(4,349)
Loss on financial liabilities at fair value through profit or loss recognised in other operating expenses and income	於其他營運開支及收入中確認之按公平值計入損益賬的金融負債虧損	–	(416)	(416)
Recognised in other comprehensive income:	於其他全面收益中確認:			
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(6,058)	–	(6,058)
Surplus on revaluation of leasehold land	租賃土地價值重估之盈餘	50,907	–	50,907
At end of year	年末	215,900	(7,166)	208,734

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

7. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of assets/(liabilities) measured at fair value based on level 3: (Continued)

		Properties held	
		for own use –	2014
		Leasehold land	Total
		持作自用物業 –	
		租賃土地	總計
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of year	年初	161,100	161,100
Refund of land costs	土地成本退款	(254)	(254)
Recognised in profit or loss:	於損益中確認：		
Depreciation charge for the year recognised in cost of sales and general and administrative expenses	年內於銷售成本及一般及行政開支中確認之折舊開支	(4,162)	(4,162)
Recognised in other comprehensive income:	於其他全面收益中確認：		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(2,372)	(2,372)
Surplus on revaluation of leasehold land	租賃土地價值重估之盈餘	21,088	21,088
At end of year	年末	175,400	175,400

The total gains or losses recognised for the year are presented in other operating expenses and income in the consolidated statement of profit or loss, and the revaluation reserve and foreign currency translation reserve in the other comprehensive income.

All the gains or losses recognised in profit or loss for the year arise from the unrealised gain and loss of the leasehold land and the contingent consideration payable held at the end of reporting period.

7. 公平值計量(續)

(b) 根據第三層公平值計量的資產/(負債)對賬:(續)

	Properties held
	for own use –
	Leasehold land
	持作自用物業 –
	租賃土地
	總計
	HK\$'000
	千港元
	2014
	Total

		Properties held	
		for own use –	2014
		Leasehold land	Total
		持作自用物業 –	
		租賃土地	總計
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of year	年初	161,100	161,100
Refund of land costs	土地成本退款	(254)	(254)
Recognised in profit or loss:	於損益中確認：		
Depreciation charge for the year recognised in cost of sales and general and administrative expenses	年內於銷售成本及一般及行政開支中確認之折舊開支	(4,162)	(4,162)
Recognised in other comprehensive income:	於其他全面收益中確認：		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(2,372)	(2,372)
Surplus on revaluation of leasehold land	租賃土地價值重估之盈餘	21,088	21,088
At end of year	年末	175,400	175,400

於年內確認的總收益或虧損乃於綜合損益表中之其他營運開支及收入呈列，及於其他全面收益表中之重估儲備及匯兌儲備呈列。

所有於損益內確認的收益或虧損由報告期末所持之租賃土地的未實現收益及虧損和應付或然代價所產生。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2015:

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Key unobservable inputs used in level 3 fair value measurements are mainly unit price of the PRC and Hong Kong leasehold land per square metre estimated based on recent market transactions.

7. 公平值計量(續)

(c) 於二零一五年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：

本集團的財務總監負責就財務報告進行所需的資產及負債的公平值計量(包括第3層公平值計量)。財務總監就此等公平值計量直接向董事會匯報。財務總監與董事會每年至少兩次檢討討論估值程序及有關結果。

就第三層公平值計量而言，本集團一般委聘具備認可專業資格且有近期估值經歷的外聘估值專家。

第三層公平值計量所用主要不可觀察參數主要包括根據最近的市場交易估計中國及香港租賃土地的每平方米單位價格。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2015: (Continued)

Level 2 fair value measurements

7. 公平值計量(續)

(c) 於二零一五年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露:(續)

第二層公平值計量

Description 項目	Valuation technique 估值方法	Inputs 參數	Fair value 公平值	
			2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
			Assets/ (Liabilities) 資產/(負債)	Assets/ (Liabilities) 資產/(負債)
Financial assets/(liabilities) at fair value through profit or loss Derivatives – currency forward contracts 按公平值計入損益賬之金融資產/ (負債) 衍生工具 – 遠期外匯合約	Marking-to-market approach and discounted cash flow method 市價計值法及折現現金流法	(a) Contractual amount (b) Risk-free rate (c) Expected tenor (d) Contractual exchange rate (e) Settlement date market forward exchange rate (a) 合約金額 (b) 無利率風險 (c) 預計年期 (d) 合約匯率 (e) 結算日的市場遠期匯率	– (71,121)	614 (8,888)
– interest rate swap – 利率掉期	Marking-to-market approach and discounted cash flow method 市價計值法及折現現金流法	(a) Notional amount (b) Fixed rate (c) Counterparty floating rate (d) Effective date and termination date (a) 名義金額 (b) 固定利率 (c) 對方浮動利率 (d) 有效日期及終止日期	(81)	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2015: (Continued)

Level 3 fair value measurements

7. 公平值計量(續)

(c) 於二零一五年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：(續)

第三層公平值計量

Description 項目	Valuation technique 估值方法	Unobservable inputs 不可觀察的參數	Range 範圍	Effect on fair value for increase of inputs 參數增加對公平值的影響	Fair value 公平值	
					2015 HK\$'000 千港元	2014 HK\$'000 千港元
Land use rights in Egongling Village, Pinghu Town, Shenzhen City, the PRC 中國深圳市平湖鎮鵝公嶺村的土地使用權	Direct comparison approach 直接比較法	Accommodation value per square metre taking into account of location of the land use rights to the city centre, time, quantum and plot ratio of the subject land 經考慮土地使用權位置與市中心的距離、時間、面積及目標土地之地積比率的每平方米樓面價格	RMB731/square metre – RMB1,461/square metre (2014: RMB677/square metre – RMB2,467/square metre) 每平方米人民幣731元至每平方米人民幣1,461元(二零一四年：每平方米人民幣677元至每平方米人民幣2,467元)	Increase 增加	8,700	6,800
Land use rights in Phoenix Avenue, Pinghu Town, Shenzhen City, the PRC 中國深圳市平湖鎮鳳凰大道的土地使用權	Direct comparison approach 直接比較法	Accommodation value per square metre taking into account of location of the land use rights to the city centre, time, quantum and plot ratio of the subject land 經考慮土地使用權位置與市中心的距離、時間、面積及目標土地之地積比率的每平方米樓面價格	RMB731/square metre – RMB1,461/square metre (2014: RMB677/square metre – RMB2,467/square metre) 每平方米人民幣731元至每平方米人民幣1,461元(二零一四年：每平方米人民幣677元至每平方米人民幣2,467元)	Increase 增加	57,000	47,300
Land use rights in Western District of Daya Bay, Huizhou City, the PRC 中國惠州大亞灣西區的土地使用權	Direct comparison approach 直接比較法	Accommodation value per square metre taking into account of location of the land use rights to the city centre, time, quantum, tenure and plot ratio of the subject land 經考慮土地使用權位置與市中心的距離、時間、面積、使用年期及目標土地之地積比率的每平方米樓面價格	RMB250/square metre – RMB300/square metre (2014: RMB300/square metre – RMB337/square metre) 每平方米人民幣250元至每平方米人民幣300元(二零一四年：每平方米人民幣300元至每平方米人民幣337元)	Increase 增加	107,900	79,700

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2015: (Continued)

Level 3 fair value measurements (Continued)

Description 項目	Valuation technique 估值方法	Unobservable inputs 不可觀察的參數	Range 範圍	Effect on fair value for increase of inputs 參數增加對公平值的影響	Fair value 公平值	
					2015 HK\$'000 千港元	2014 HK\$'000 千港元
Land use rights in Wuhu City, Anhui Province, the PRC 中國安徽省蕪湖市的土地使用權	Direct comparison approach 直接比較法	Accommodation value per square metre taking into account of location of the land use rights to the city centre, time and tenure 經考慮土地使用權位置與市中心的距離、時間及使用年期的每平方米樓面價格	RMB157/square metre – RMB 158/square metre (2014: RMB158/square metre) 每平方米人民幣157元至每平方米人民幣158元(二零一四年：每平方米人民幣158元)	Increase 增加	6,300	6,600
Land use rights in Kowloon Bay, Hong Kong 香港九龍灣的土地使用權	Direct comparison approach 直接比較法	Accommodation value per square metre taking into account of location of the land use rights to the city centre, time, quantum, view, building age and level 經考慮土地使用權位置與市中心的距離、時間、面積、景觀、建築物年期及水平的每平方米樓面價格	HK\$9,005/square metre – HK\$12,801/square metre (2014: HK\$9,646/square metre – HK\$12,001/square metre) 每平方米9,005港元至每平方米12,801港元(二零一四年：每平方米9,646港元至每平方米12,001港元)	Increase 增加	36,000	35,000
Contingent consideration payable 應付或然代價	Discounted cash flow method 已貼現現金流量	Discount rate 貼現率	22.75%	Decrease 減少	(7,166)	-
		Expected profit after tax derived from the new business acquired 由收購業務帶來之預期除稅後溢利	Approximately HK\$4,500,000 to HK\$4,900,000 for each year 約每年4,500,000至4,900,000港元	Increase 增加		

The fair value of leasehold land held for own use located in the PRC and Hong Kong is determined using direct comparison approach by reference to recent sales price of comparable leasehold land on an accommodation value per metre basis, adjusted for a premium or a discount specific to the quality of the Group's leasehold land compared to the recent sales. Higher premium for higher quality land will result in a higher fair value measurement.

During the two years, there were no changes in the valuation techniques used.

7. 公平值計量(續)

(c) 於二零一五年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：(續)

第三層公平值計量(續)

位於中國及香港持有作自用的租賃土地的公平值乃使用市場比較法釐定，當中已參考可比較物業近期銷售的每平方米價格，並按本集團租賃物業的質量與最近銷售比較所引致的溢價或折讓作出調整。高質量土地可享有較高溢價，並可產生較高的公平值計量數值。

於兩個年度，所使用的估值方法並無變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

8. REVENUE

The Group is principally engaged in the sale and manufacture of zinc, magnesium and aluminium alloy die casting and plastic injection products and components as well as lighting products.

Revenue represents the net amounts received and receivable for goods sold, net of returns and allowances to customers during the year.

8. 收入

本集團主要從事生產及銷售鋅、鎂及鋁合金壓鑄、塑膠注塑產品和零部件以及照明產品業務。

收入指於年內銷售貨品的已收及應收款項淨額(已扣除退貨及給予客戶的折扣)。

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Sales of goods	銷售貨品	1,539,344	1,582,333

9. OTHER INCOME

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Exchange difference	匯兌差額	8,842	-
Interest income on bank deposits	銀行存款利息收入	2,194	2,097
Rental income	租金收入	401	70
Insurance compensation (note 14(b))	保險賠償(附註14(b))	-	85,572
Reimbursement from customers	客戶報銷收回	7,251	7,439
Sales of scrap materials	廢料銷售	2,239	6,829
Government grants	政府補助金	1,401	2,094
Others	其他	1,392	1,044
		23,720	105,145

Government grants mainly comprised unconditional support for subsidising the Group's research and development.

政府補助金主要包括無條件支援本集團之研發之資助。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

10. SEGMENT INFORMATION

For management purposes, the Group's operation is currently categorised into five (2014: five) operating divisions – zinc, magnesium and aluminum alloy die casting, plastic injection products and components and lighting products. These divisions are the basis of the Group's five reportable segments. The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and different cost measurement.

Segment profits or losses do not include interest income, corporate income, gain or loss from derivative instruments, gain on a bargain purchase, corporate expenses, finance costs and income tax expense.

10. 分部資料

為方便管理，本集團現時業務分為五個營運部門(二零一四年：五個)– 鋅、鎂及鋁合金壓鑄、塑膠注塑產品和零部件以及照明產品。該等部門是本集團呈報五個分部資料的基準。本集團之呈報分部為提供不同產品之的策略業務單位。由於有關業務需要不同技術及有不同成本計量方式，故該等分部乃獨立管理。

分部溢利或虧損不包括利息收入、企業收益、來自衍生工具之損益、議價收購之收益、企業開支、融資成本及所得稅開支。

Information about reportable segment profit or loss:

呈報分部溢利或虧損之資料如下：

	Zinc alloy die casting	Magnesium alloy die casting	Aluminium alloy die casting	Plastic injection	Lighting products	Total
	鋅合金壓鑄	鎂合金壓鑄	鋁合金壓鑄	塑膠注塑	照明產品	總數
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Year ended 31 December 2015 截至二零一五年十二月三十一日止年度						
Revenue from external customers 來自外來客戶的收入	250,322	529,870	213,760	532,151	13,241	1,539,344
Segment profit/(loss) 分部溢利/(虧損)	12,708	16,071	874	72,599	(78,983)	23,269
Depreciation and amortisation 折舊及攤銷	12,073	33,474	7,327	22,586	7,216	82,676
Impairment loss on property, plant and equipment 物業、機器及設備減值虧損	-	-	-	-	4,750	4,750
Impairment loss on intangible assets 無形資產減值虧損	-	-	-	-	11,206	11,206

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

10. SEGMENT INFORMATION (Continued)

Information about reportable segment profit or loss (continued):

10. 分部資料(續)

呈報分部溢利或虧損之資料如下(續):

	Zinc alloy die casting 鋅合金壓鑄 HK\$'000 千港元	Magnesium alloy die casting 鎂合金壓鑄 HK\$'000 千港元	Aluminium alloy die casting 鋁合金壓鑄 HK\$'000 千港元	Plastic injection 塑膠注塑 HK\$'000 千港元	Lighting products 照明產品 HK\$'000 千港元	Total 總數 HK\$'000 千港元
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Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

Revenue from external customers 來自外來客戶的收入	250,620	647,584	192,753	488,369	3,007	1,582,333
Segment (loss)/profit 分部(虧損)/溢利	(4,517)	34,401	(831)	68,824	(52,422)	45,455
Depreciation and amortisation 折舊及攤銷	14,258	27,376	9,397	19,558	5,376	75,965

Reconciliation of reportable segment revenue, profit or loss:

呈報分部收入、溢利或虧損之對賬:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Revenue	收入		
Total revenue of reportable segments 呈報分部之總收入		1,539,344	1,582,333
Unallocated amounts 不分類數目		-	-
Consolidated revenue 綜合收入		1,539,344	1,582,333

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

10. SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment revenue, profit or loss: (Continued)

		2015	2014
		二零一五年	二零一四年
		HK\$'000	HK\$'000
		千港元	千港元
Profit or loss	溢利或虧損		
Total profit of reportable segments	呈報分部總溢利	23,269	45,455
Unallocated amounts:	不分類數目：		
Gain on a bargain purchase	議價收購收益	9,546	—
Interest income	利息收入	2,194	2,097
Gain on financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債收益	33	—
Loss on financial (liabilities)/assets at fair value through profit or loss	按公平值計入損益賬的金融(負債)/資產之虧損	(71,679)	(8,286)
Finance costs	融資成本	(8,792)	(13,267)
Income tax expense	所得稅開支	(5,410)	(26,707)
Corporate income (note)	企業收入(附註)	8,927	85,647
Corporate expenses	企業開支	(35,254)	(25,587)
Consolidated (loss)/profit for the year	年內綜合(虧損)/溢利	(77,166)	59,352

Note:

Included in corporate income was insurance compensation of approximately HK\$Nil (2014: HK\$85,572,000) for the losses caused by the fire accident in 2013.

附註：

企業收入包括由二零一三年火災導致之損失之保險賠償約零港元(二零一四年：85,572,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

10. SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment revenue, profit or loss: (Continued)

10. 分部資料(續)

呈報分部收入、溢利或虧損之對賬(續)：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Other material items – depreciation and amortisation 其他重大項目 – 折舊及攤銷			
Total depreciation and amortisation of reportable segments	呈報分部總折舊及攤銷	82,676	75,965
Unallocated amounts:	不分類數目：		
Depreciation of property, plant and equipment for corporate use	企業用物業、機器及設備折舊	4,288	4,459
Consolidated depreciation and amortisation	綜合折舊及攤銷	86,964	80,424

Geographical information:

地區資料：

		Revenue 收入	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Hong Kong	香港	423,003	456,247
The PRC except Hong Kong	中國(香港除外)	597,153	605,554
Japan	日本	3,718	389
USA	美國	448,620	445,456
Others	其他	66,850	74,687
Consolidated total	綜合總數	1,539,344	1,582,333

In presenting the geographical information, revenue is based on the locations of the customers.

呈列地區資料時，收入是以客戶的地區為基準。

The Group's non-current assets by geographical areas are not presented as the geographical segments other than the PRC are less than 10% (2014: less than 10%) of the aggregate amount of all segments.

因為除中國外之地區分部金額佔所有分部之總額少於10% (二零一四年：少於10%)，所以本集團按地區之非流動資產沒有呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

10. SEGMENT INFORMATION (Continued)

Revenue from major customers:

10. 分部資料(續)

來自主要客戶之收入：

		2015	2014
		二零一五年	二零一四年
		HK\$'000	HK\$'000
		千港元	千港元
Zinc alloy die casting segment	鋅合金壓鑄分部		
Customer a	客戶a	132,886	121,646
Customer b	客戶b	54,823	54,988
Magnesium alloy die casting segment	鎂合金壓鑄分部		
Customer c	客戶c	180,817	266,679
Customer e	客戶e	108,138	161,517
Aluminium alloy die casting segment	鋁合金壓鑄分部		
Customer a	客戶a	116,594	96,824
Customer e	客戶e	4,475	6,706
Plastic injection segment	塑膠注塑分部		
Customer b	客戶b	118,029	107,514
Customer a	客戶a	8,536	-
Customer d	客戶d	374,948	373,022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

11. OTHER OPERATING EXPENSES AND INCOME

11. 其他經營開支及收入

		2015	2014
		二零一五年	二零一四年
		HK\$'000	HK\$'000
		千港元	千港元
Acquisition-related costs in business combination	業務合併中與收購有關的費用	450	-
Allowance for doubtful debts	呆賬撥備	-	411
Bad debts written off (net of bad debt recovery)	壞賬撇銷(扣減壞賬收回)	14	235
Reversal of allowance for doubtful debts	撥回呆賬撥備	(358)	(282)
Allowance for inventories	存貨撥備	6,147	130
Inventory written off	存貨撇銷	-	3,327
Impairment loss on goodwill	商譽減值虧損	-	1,630
Loss on disposal of property, plant and equipment	出售物業、機器及設備的虧損	267	61
Property, plant and equipment written back	物業、機器及設備撇銷回撥	(1,000)	(3,137)
Property, plant and equipment written off	物業、機器及設備撇銷	3,888	894
Gain on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債收益	(33)	-
Loss on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債虧損	71,679	8,286
Impairment loss on property, plant and equipment	物業、機器及設備之減值虧損	4,750	-
Impairment loss on intangible assets	無形資產之減值虧損	11,206	-
		97,010	11,555

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

12. FINANCE COSTS

12. 融資成本

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Interest expenses on bank borrowings	銀行借款利息開支	16,480	13,245
Finance lease charges	融資租約支出	-	22
Total borrowing costs	總借貸成本	16,480	13,267
Amount capitalised	資本化金額	(7,688)	-
		8,792	13,267

The analysis shows the finance costs of bank borrowings and obligations under finance leases including bank borrowings and finance leases which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the loan agreements. For the years ended 31 December 2015 and 2014, the interest on bank borrowings and obligations under finance leases which contain a repayment on demand clause before the capitalisation of borrowing costs amounted to approximately HK\$13,500,000 and HK\$10,789,000 respectively.

The weighted average capitalisation rate on funds borrowed generally is at a rate of 3.1% (2014: Nil%) per annum.

有關分析列示銀行借款及融資租約承擔的融資成本，包括根據貸款協議所載的議定預定還款期之附有按要求償還條款的銀行借款及融資租約。截至二零一五年及二零一四年十二月三十一日止年度，附有按要求償還條款的銀行借款及融資租約承擔的利息分別約為13,500,000港元及10,789,000港元。

借貸資金之加權平均資本化年利率普遍為3.1% (二零一四年：零%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

13. INCOME TAX EXPENSE

13. 所得稅開支

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Current tax – Hong Kong Profits Tax	即期稅項－香港利得稅		
Provision for the year	本年度撥備	7,338	15,856
Under/(Over)-provision in prior years	過往年度撥備不足／ (超額撥備)	1,210	(1,425)
Current tax – PRC enterprise income tax	即期稅項－中國企業所得稅		
Provision for the year	本年度撥備	11,360	12,617
(Over)/Under-provision in prior years	過往年度(超額撥備)／ 撥備不足	(385)	182
Deferred tax (note 35)	遞延稅項(附註35)	(14,113)	(523)
Income tax expense	所得稅開支	5,410	26,707

Hong Kong Profits Tax has been provided at a rate of 16.5% (2014: 16.5%) on the estimated assessable profits of Hong Kong incorporated subsidiaries for the year ended 31 December 2015.

Under the PRC Enterprise Income Tax (the "EIT") Law, the statutory tax rate for the Group's subsidiaries established and operating in Mainland China is 25% (2014: 25%). However, one of the Group's subsidiaries has been recognised as a "New and High Technology Enterprise" in the PRC and were therefore subject to a preferential tax rate of 15% (2014: 15%) for the year ended 31 December 2015.

Income tax on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing on the overseas countries in which the Group operates.

截至二零一五年十二月三十一日止年度之香港利得稅根據香港註冊附屬公司之估計應課稅溢利以稅率16.5% (二零一四年：16.5%) 作出撥備。

根據中國企業所得稅法，本集團於中國大陸成立及營運之附屬公司之法定稅率為25% (二零一四年：25%)。但是，本集團其中一間附屬公司獲確定為中國「高新技術企業」，因此其於截至二零一五年十二月三十一日止年度可享有15% (二零一四年：15%) 之優惠稅率。

海外溢利之所得稅根據年內估計應課稅溢利以集團有營運之海外國家之現行稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

13. INCOME TAX EXPENSE (Continued)

The reconciliation between the income tax expense and the product of (loss)/profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

13. 所得稅開支(續)

所得稅開支與除稅前(虧損)/溢利乘以香港利得稅稅率計算所得結果的對賬如下:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
(Loss)/Profit before tax	除稅前(虧損)/溢利	(71,756)	86,059
Tax at Hong Kong Profits Tax rate at 16.5% (2014: 16.5%)	按香港利得稅稅率16.5% (二零一四年: 16.5%) 計算的稅項	(11,840)	14,200
Tax effect of expenses that are not deductible	不可扣稅開支的稅務影響	3,550	5,337
Tax effect of income that is not taxable	毋須課稅收入的稅務影響	(929)	(6,574)
Tax effect of temporary differences not recognised	未確認暫時差異的稅務影響	(443)	1,080
Reversal of deferred tax liabilities	遞延稅項負債回撥	-	(396)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	24,351	24,888
Utilisation of tax losses not previously recognised	動用先前未確認之稅項虧損之影響	(2,611)	(1,469)
Over-provision in prior years	過往年度超額撥備	(385)	(1,425)
Under-provision in prior years	過往年度撥備不足	1,210	182
Over/(Under)-provision for current year	本年度超額撥備/(撥備不足)	726	(322)
Effect of different tax rates of subsidiaries	附屬公司稅率不同的稅務影響	(8,219)	(8,794)
Income tax expense	所得稅開支	5,410	26,707

In addition to the amount charged to profit or loss, deferred tax relating to the revaluation of the Group's leasehold land during the year has been charged to other comprehensive income.

除在損益表列賬外，於年內本集團之租賃土地重估之有關遞延稅項已在其他全面收益中列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

14. (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year attributable to owners of the Company is stated after charging/(crediting) the following:

14. 年內(虧損)/溢利

本集團年內之(虧損)/溢利已扣除/(計入)下列各項:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Amortisation of intangible assets (included in general and administrative expenses)	無形資產攤銷 (包含於一般及行政開支)	2,402	2,402
Acquisition-related costs in business combination (note (a))	業務合併中與收購有關的 費用(附註(a))	450	-
Write off of inventories (note (a))	存貨撇銷(附註(a))	-	3,327
Allowance for inventories (note (a))	存貨撥備(附註(a))	6,147	130
Allowance for doubtful debts (note (a))	呆賬撥備(附註(a))	-	411
Reversal of allowance for doubtful debts (note (a))	呆賬撥備回撥 (附註(a))	(358)	(282)
Bad debt recovery (note (a))	壞賬收回(附註(a))	(4)	-
Bad debts written off (note (a))	壞賬撇銷(附註(a))	18	235
Auditor's remuneration Provision for the year (Over)/Under-provision in prior year	核數師酬金 本年度撥備 過往年度(超額撥備)/ 撥備不足	1,650 (90) 1,560	1,580 91 1,671
Impairment loss on intangible asset (note (a))	無形資產減值虧損 (附註(a))	11,206	-
Impairment loss on goodwill (note (a))	商譽減值虧損(附註(a))	-	1,630
Impairment loss on property, plant and equipment (note (a))	物業、機器及設備 減值虧損(附註(a))	4,750	-
Cost of inventories sold (note (c))	已售存貨成本(附註(c))	1,134,933	1,163,954
Depreciation of property, plant and equipment	物業、機器及設備折舊	84,562	78,022
Loss on disposal of property, plant and equipment (note (a))	出售物業、機器及 設備之虧損(附註(a))	267	61
Property, plant and equipment written off (note (a))	物業、機器及設備撇銷 (附註(a))	3,888	894
Property, plant and equipment written back (note (a) and (b))	物業、機器及設備撇銷回撥 (附註(a)及(b))	(1,000)	(3,137)
Loss on financial assets/liabilities at fair value through profit or loss (note (a))	按公平值計入損益之金融 資產/負債虧損(附註(a))	71,679	8,286
Gain on financial liabilities at fair value through profit or loss (note (a))	按公平值計入損益賬之 金融負債收益(附註(a))	(33)	-
Net exchange (gain)/loss	淨滙兌(收益)/虧損	(8,842)	4,275
Operating lease charges in respect of land and buildings	土地及樓宇經營租約支出	11,212	8,077
Other fees paid to the auditor of the Company	付本公司核數師之其他費用	569	283
Research and development expenditure (note (d))	研究及開發支出(附註(d))	35,102	35,780

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

14. (LOSS)/PROFIT FOR THE YEAR (Continued)

Notes:

- (a) These amounts were included in other operating expenses and income.
- (b) A fire accident took place in one of the Group's production bases in Shenzhen, the PRC on 27 November 2013 and impairment loss of approximately HK\$52,343,000 had been made for inventories and property, plant and equipment of the Group as a result of the fire accident and was included in other operating expenses in the consolidated statement of profit or loss for the year ended 31 December 2014. An insurance compensation of RMB73,800,000 (approximately HK\$92,885,000) was received in 2014. After setting off with the relevant professional fees of approximately HK\$7,313,000, a net gain of HK\$85,572,000 was recognised as other income (note 9). Machines of approximately HK\$3,137,000 and HK\$1,000,000 written off during 2013 have been repaired and the impairment loss was written back during the year ended 31 December 2014 and 2015 respectively.
- (c) Cost of inventories sold includes staff costs, depreciation and operating lease charges of approximately HK\$365,933,000 (2014: HK\$350,253,000), which are included in the amounts disclosed separately.
- (d) Research and development expenditure includes staff costs of approximately HK\$20,158,000 (2014: HK\$24,650,000), which are included in the amounts disclosed separately.

15. EMPLOYEE BENEFITS EXPENSE

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Employee benefits expense (excluding directors' emoluments):	僱員福利開支 (不包括董事酬金)		
Salaries, bonuses and allowances	薪酬、花紅及津貼	392,373	384,558
Equity-settled share-based payments	以權股結算以股份支付之款項	111	1,315
Retirement benefits scheme contributions	退休福利計劃供款	21,581	15,745
Other benefits	其他福利	30,770	39,663
		444,835	441,281

14. 年內(虧損)/溢利(續)

附註:

- (a) 該等款項已計入其他營運開支及收入內。
- (b) 於二零一三年十一月二十七日，本集團位於中國深圳的其中一間生產基地發生火災，本集團已因此就存貨以及物業、機器及設備作出減值虧損52,343,000港元。減值虧損已計入於二零一四年十二月三十一日年度的綜合損益表的其他營運開支內。保險賠償金額人民幣73,800,000 (約92,885,000港元) 已於二零一四年收到，經抵銷相關專業顧問費用約7,313,000港元後，淨收益85,572,000港元已確認為其它收入(附註9)。由於約3,137,000港元之機器設備已於二零一三年作減值虧損但及後經維修回復，所以全數亦在截至二零一四及二零一五年十二月三十一日止之年度作出減值虧損撥回。
- (c) 已售存貨成本包括員工成本、折舊及經營租約租金約365,933,000港元(二零一四年：350,253,000港元)，彼等已各自分別披露。
- (d) 研究及開發支出中包括獨立披露的員工成本約20,158,000港元(二零一四年：24,650,000港元)。

15. 僱員福利開支

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

15. EMPLOYEE BENEFITS EXPENSE (Continued)

Five highest paid individuals

The five highest paid individuals in the Group during the year included 3 (2014: 3) directors whose emoluments are reflected in the analysis presented in note 16. The emoluments of the remaining 2 (2014: 2) individuals for the year ended 31 December 2015 are set out below:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Basic salaries and allowances	基本薪酬及津貼	3,229	3,288
Discretionary bonus	酬情花紅	50	-
Retirement benefits scheme contributions	退休福利計劃供款	18	17
		3,297	3,305

The emoluments fell within the following bands:

酬金介乎以下範圍：

		Number of individuals 人數	
		2015 二零一五年	2014 二零一四年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	-	1

During the year, no emoluments were paid by the Group to any of these highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

年內，本集團並無向董事或最高薪人士支付任何作為加盟本集團時或之後的獎勵或離職的補償之酬金。

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綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

16. BENEFITS AND INTEREST OF DIRECTORS

(a) Emoluments of directors

The emoluments of each director were as follows:

16. 董事福利及利益

(a) 董事酬金

各董事的酬金如下：

Name of director	董事姓名	Fees 袍金 HK\$'000 千港元	Salaries and allowances 薪金及津貼 HK\$'000 港元	Discretionary bonus 酬情花紅 HK\$'000 港元	Estimated money value of other benefits	Retirement benefits scheme contributions	Total 總計 HK\$'000 港元
					其他福利的估計貨幣價值 HK\$'000 港元 (note e) (附註e)	退休計劃計劃供款 HK\$'000 港元	
Year ended	截至二零一五年						
31 December 2015	十二月三十一日						
Executive directors	執行董事						
Mr. Lee	李先生	-	2,949	210	290	18	3,467
Dr. WONG Cheong Yiu (note a)	黃昌耀博士(附註a)	-	1,237	-	-	22	1,259
Mr. WONG Wing Chuen	黃永銓先生	-	1,585	113	156	18	1,872
Mr. CHAN Tat Cheong, Alan	陳達昌先生	-	1,567	113	-	18	1,698
Independent non-executive directors	獨立非執行董事						
Mr. SUN Kai Lit, Cliff BBS, JP	孫啟烈先生BBS, 太平紳士	180	-	-	-	-	180
Ir Dr. LO Wai Kwok SBS, MH, JP	盧偉國博士SBS, MH, 太平紳士	180	-	-	-	-	180
Mr. YEOW Hoe Ann, John (note b)	姚和安先生(附註b)	90	-	-	-	-	90
Mr. Kong Kai Chuen, Frankie (note c)	江啟銓先生(附註c)	115	-	-	-	-	115
Mr. Andrew LOOK	陸東先生	180	-	-	-	-	180
Total for 2015	二零一五年總計	745	7,338	436	446	76	9,041
Year ended	截至二零一四年						
31 December 2014	十二月三十一日						
Executive directors	執行董事						
Mr. Lee	李先生	-	2,790	-	230	17	3,037
Dr. KEUNG Wing Ching (note d)	姜永正博士(附註d)	-	1,080	-	-	8	1,088
Mr. WONG Wing Chuen	黃永銓先生	-	1,499	-	124	17	1,640
Mr. CHAN Tat Cheong, Alan	陳達昌先生	-	1,478	-	-	17	1,495
Independent non-executive directors	獨立非執行董事						
Mr. SUN Kai Lit, Cliff BBS, JP	孫啟烈先生BBS, 太平紳士	180	-	-	-	-	180
Ir Dr. LO Wai Kwok SBS, MH, JP	盧偉國博士SBS, MH, 太平紳士	180	-	-	-	-	180
Mr. YEOW Hoe Ann, John	姚和安先生	180	-	-	-	-	180
Mr. Andrew LOOK	陸東先生	180	-	-	-	-	180
Total for 2014 (restated)	二零一四年總計(重列)	720	6,847	-	354	59	7,980

**16. BENEFITS AND INTEREST OF DIRECTORS
 (Continued)**

(a) Emoluments of directors (Continued)

Notes:

- (a) Dr. Wong Cheong Yiu was appointed as an executive director of the Company on 1 June 2015. He is also the chief executive of the Company and his emoluments disclosed above include those services rendered by him as chief executive.
- (b) Mr. Yeow Hoe Ann, John retired as an independent non-executive director of the Company on 11 May 2015.
- (c) Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie) was appointed as an independent non-executive director of the Company on 11 May 2015.
- (d) Dr. Keung Wing Ching resigned as an executive director of the Company on 1 July 2014.
- (e) Estimated money values of other benefits include cars of the Group used by the directors.

There were no arrangements under which a director waived or agreed to waive any emoluments during the year (2014: Nil).

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

(b) Directors' material interests in transactions, arrangement or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

16. 董事福利及利益(續)

(a) 董事酬金(續)

附註：

- (a) 黃昌耀博士於二零一五年六月一日獲委任為本公司執行董事。彼亦為本公司行政總裁，上文所披露之薪酬包括彼作為行政總裁提供服務的酬金。
- (b) 姚和安先生於二零一五年五月十一日退任本公司獨立非執行董事。
- (c) 江啟銓先生(前稱江道揚)於二零一五年五月十一日獲委任為本公司獨立非執行董事。
- (d) 姜永正博士於二零一四年七月一日辭任本公司執行董事。
- (e) 其他福利的估計貨幣價值包括董事使用的本集團汽車。

董事於本年內概無作出放棄或同意放棄任何酬金的安排(二零一四年：無)。

年內，本集團並無向任何董事支付任何作為加盟本集團時或之後的獎勵或離職補償的酬金。

(b) 董事於交易、安排或合約中的重大權益

於年終或年內任何時間，本公司概無訂立任何與本集團業務有關而本公司董事及其關連人士於當中直接或間接擁有重大權益的重大交易、安排及合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

17. DIVIDENDS

17. 股息

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Proposed final of HK Nil cents (2014: final dividend payment of HK1.6 cent) per ordinary share	每股普通股零港仙 (二零一四年：1.6港仙之 末期股息)之建議末期股息	-	14,300
Additional dividend paid during the year	年內額外支付之股息	-	15
		-	14,315

The Board of Directors of the Company does not recommend any dividend in respect of the year ended 31 December 2015 (2014: final dividend in respect of the year ended 31 December 2014 of HK1.6 cent).

董事不建議派發截至二零一五年十二月三十一日止年度末期股息(二零一四年：截至二零一四年十二月三十一日止年度之末期股息每股1.6港仙)。

For the year ended 31 December 2015 截至二零一五年十二月三十一日

18. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$63,489,000 (2014: profit for the year attributable to owners of the Company of approximately HK\$77,246,000) and the weighted average number of ordinary shares of 893,761,400 (2014: 893,660,123) in issue during the year.

Diluted (loss)/earnings per share

The calculation of diluted loss per share attributable to owners of the Company for the year ended 31 December 2015 is based on the diluted loss for the year attributable to owners of the Company of approximately HK\$64,743,000, being the loss for the year attributable to owners of the Company used in the basic loss per share calculation of HK\$63,489,000, and reduced by the profit attributable to the non-controlling interest of HK\$1,254,000, assuming 300 shares of a subsidiary, Katchon Precision Holdings Company Limited (“Katchon”) were issued to the seller of Goodly Precision Industrial Limited (“Goodly”), pursuant to the contingent consideration arrangement of the business combination as detailed in note 40(b) to the consolidated financial statements, and the weighted average number of ordinary shares of 893,761,400 used in the basic loss per share calculation.

The calculation of diluted earnings per share attributable to owners of the Company for the year ended 31 December 2014 is based on the profit for the year attributable to owners of the Company of approximately HK\$77,246,000 and the weighted average number of ordinary shares of 893,767,325, being the weighted average number of ordinary shares of 893,660,123 in issue during the year used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 107,202 assumed to have been issued at no consideration on the deemed exercise of the share options of the Company outstanding at the end of the reporting period.

The share options of the subsidiary outstanding at 31 December 2014 and 2015 and the share options of the Company outstanding at 31 December 2015 are anti-dilutive and hence they are not included in the calculation of diluted (loss)/earnings per share.

18. 每股(虧損)/盈利

每股基本(虧損)/盈利

本公司權益持有人應佔的每股基本(虧損)/盈利乃根據截至二零一五年十二月三十一日止年度本公司權益持有人應佔虧損約63,489,000港元(二零一四年:本公司權益持有人應佔溢利約77,246,000港元)及年內已發行的加權平均普通股893,761,400股(二零一四年:893,660,123股)計算。

每股攤薄(虧損)/盈利

本公司權益持有人應佔的每股攤薄虧損乃根據截至二零一五年十二月三十一日止年度本公司權益持有人應佔攤薄虧損約64,743,000港元(用於計算每股基本盈利之本公司權益持有人應佔虧損約63,489,000港元,及減去非控股權益應佔盈利1,254,000港元(按綜合財務報表附註40(b)所述之收購業務中或然代價安排,假設已發行附屬公司嘉昌精密控股有限公司(「嘉昌」)之300股股份予本集團於年內收購之卓研精密工業有限公司(「卓研」)之賣家),與及用於計算每股基本虧損之加權平均普通股893,761,400股計算。

截至二零一四年十二月三十一日止年度本公司權益持有人應佔的每股攤薄盈利乃根據截至二零一四年十二月三十一日止年度本公司權益持有人應佔溢利約77,246,000港元及加權平均普通股893,767,325股(用於計算每股基本盈利之年內已發行的加權平均普通股893,660,123股加上於報告期末未獲行使之本公司購股權視作已行使而假設以沒有代價發行的加權平均普通股107,202股)計算。

附屬公司於二零一四年十二月三十一日及二零一五年十二月三十一日未獲行使之購股權與本公司於二零一五年十二月三十一日未獲行使之購股權為反攤薄,因此計算每股攤薄(虧損)/盈利時並不包括此等購股權。

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綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

19. PROPERTY, PLANT AND EQUIPMENT

19. 物業、機器及設備

		Leasehold land	Buildings	Leasehold improvements	Plant and machinery	Computer equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
		租賃土地	樓宇	租賃物業裝修	機器及設備	電腦設備	傢俬、固定裝置及辦公室設備	汽車	在建工程	總計
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Cost or valuation	成本或估值									
At 1 January 2014	於二零一四年一月一日	161,100	247,093	94,469	478,417	8,485	5,853	13,883	99,934	1,109,234
Transfer	轉移	-	58,901	11,099	-	-	-	-	(70,000)	-
Additions	添置	-	39	26,914	97,914	946	904	2,015	58,669	187,401
Refund of land costs	土地成本退款	(254)	-	-	-	-	-	-	-	(254)
Surplus on revaluation	重估盈餘	21,088	-	-	-	-	-	-	-	21,088
Depreciation eliminated against cost	於成本減去折舊	(4,142)	-	-	-	-	-	-	-	(4,142)
Write back	撇回撥	-	1,122	-	5,356	-	-	-	-	6,478
Disposal/write off	出售/撇銷	-	-	(300)	(3,053)	-	(230)	-	-	(3,583)
Exchange difference	匯兌差額	(2,392)	(5,089)	(1,531)	(8,079)	(46)	(82)	(197)	(1,921)	(19,337)
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日	175,400	302,066	130,651	570,555	9,385	6,445	15,701	86,682	1,296,885
Transfer	轉移	-	65,393	8,278	11,447	-	359	-	(85,477)	-
Additions	添置	-	1,609	39,613	57,539	317	2,483	101	10,176	111,838
Surplus on revaluation	重估盈餘	50,907	-	-	-	-	-	-	-	50,907
Depreciation eliminated against cost	於成本減去折舊	(4,349)	-	-	-	-	-	-	-	(4,349)
Write back	撇回撥	-	-	-	1,454	-	-	-	-	1,454
Disposal/write off	出售/撇銷	-	(6,731)	-	(7,230)	(184)	(132)	(194)	-	(14,471)
Reclassified as held for sale	再分類為持作銷售	-	-	-	(11,219)	(49)	(51)	-	-	(11,319)
Acquisition of subsidiaries	收購附屬公司	-	-	850	11,039	-	3,223	385	-	15,497
Exchange difference	匯兌差額	(6,058)	(14,905)	(6,143)	(23,630)	(126)	(422)	(512)	(1,373)	(53,169)
At 31 December 2015	於二零一五年十二月三十一日	215,900	347,432	173,249	609,955	9,343	11,905	15,481	10,008	1,393,273
Accumulated depreciation and impairment	累計折舊及減值									
At 1 January 2014	於二零一四年一月一日	-	47,222	51,971	256,975	7,021	4,824	8,844	-	376,857
Charge for the year	年內扣除	4,162	11,140	17,203	42,819	613	512	1,573	-	78,022
Write back	撇回撥	-	765	-	2,576	-	-	-	-	3,341
Disposal/write off	出售/撇銷	-	-	(250)	(1,569)	-	(220)	-	-	(2,039)
Adjustment on revaluation	重估調整	(4,142)	-	-	-	-	-	-	-	(4,142)
Exchange difference	匯兌差額	(20)	(977)	(687)	(3,699)	(23)	(65)	(97)	-	(5,568)
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日	-	58,150	68,237	297,102	7,611	5,051	10,320	-	446,471
Charge for the year	年內扣除	4,452	14,464	18,586	43,677	781	1,026	1,576	-	84,562
Disposal/write off	出售/撇銷	-	(3,029)	-	(6,389)	(184)	(99)	(175)	-	(9,876)
Write back	撇回撥	-	-	-	454	-	-	-	-	454
Adjustment on revaluation	重估調整	(4,349)	-	-	-	-	-	-	-	(4,349)
Impairment	減值	-	-	-	4,698	37	15	-	-	4,750
Reclassified as held for sale	再分類為持作銷售	-	-	-	(11,219)	(49)	(51)	-	-	(11,319)
Exchange difference	匯兌差額	(103)	(2,859)	(2,489)	(10,442)	(83)	(177)	(302)	-	(16,455)
At 31 December 2015	於二零一五年十二月三十一日	-	66,726	84,334	317,881	8,113	5,765	11,419	-	494,238
Carrying amount	賬面值									
At 31 December 2015	於二零一五年十二月三十一日	215,900	280,706	88,915	292,074	1,230	6,140	4,062	10,008	899,035
At 31 December 2014	於二零一四年十二月三十一日	175,400	243,916	62,414	273,453	1,774	1,394	5,381	86,682	850,414

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

19. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group's leasehold land was revalued at 31 December 2015 and 31 December 2014 using the direct comparison approach by reference to market evidence of recent transactions for similar properties by an independent surveyor.

The carrying amount of the Group's leasehold land would have been approximately HK\$47,881,000 (2014: HK\$51,770,000) had they been stated at cost less accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment pledged as security for the Group's banking facilities amounted to approximately HK\$40,694,000 (2014: HK\$39,843,000).

During the year, the Group assessed the recoverable amount of the plasma lighting CGU due to the poor market conditions of the lighting products, and as a result recognised impairment losses of approximately HK\$4,750,000 in respect of plant and machinery attributable to that CGU. Details of the impairment assessment are disclosed in note 22 to the consolidated financial statements.

19. 物業、機器及設備(續)

本集團於二零一五年十二月三十一日及二零一四年十二月三十一日按直接比較法價值參考市場類似物業之最近交易證據從而重估本集團之租賃土地。

若按成本減累計折舊及減值虧損列賬，本集團租賃土地的賬面值約為47,881,000港元(二零一四年：51,770,000港元)。

本集團賬面值為數約40,694,000港元(二零一四年：39,843,000港元)的物業、機器及設備已質押作為本集團銀行信貸(包括融資租賃)的抵押。

於本年度，由於照明產品的市場狀況不景氣，本集團對等離子照明現金產生單位的可收回金額進行評估，從而就該現金產生單位應佔的機器及設備確認減值虧損約4,750,000港元。有關減值評估的詳情於綜合財務報表附註22披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

20. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2015 are as follows:

20. 於附屬公司的投資

於二零一五年十二月三十一日，附屬公司之詳情如下：

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Issued and fully paid up share capital/ registered capital 已發行及繳足股本／註冊資本	Percentage of ownership interest/ voting power/ profit sharing 應佔權益／投票權／ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ka Shui (Holdings) Company Limited 嘉瑞集團有限公司	British Virgin Islands ("BVI") 英屬處女群島	US\$36,909 36,909美元	100%	–	Investment holding 投資控股
Ample Wealth Developments Limited 富豐發展有限公司	BVI 英屬處女群島	US\$1 1美元	–	100%	Investment holding 投資控股
Ka Fung Metal Manufactory Company Limited 嘉豐金屬製品廠有限公司	Hong Kong 香港	HK\$74,487,660 74,487,660港元	–	100%	Manufacture of plastic injection products and components 生產塑膠注塑產品及零部件
Ka Shui Manufactory Co., Limited 嘉瑞製品有限公司	Hong Kong 香港	HK\$10,000 10,000港元	–	100%	Sale of zinc, magnesium and aluminium alloy die casting and plastic injection products and components 銷售鋅、鎂及鋁合金壓鑄和 塑膠注塑產品及零部件
MG Technology (Shenzhen) Company Limited 創金美科技(深圳)有限公司	The PRC 中國	Registered capital HK\$150,000,000 註冊資本150,000,000港元	–	100%	Sale and manufacture of magnesium and aluminium alloy diecasting products and components 銷售及生產鎂及鋁合金 壓鑄產品及零部件
Ka Shui Technology (Huizhou) Company Limited 嘉瑞科技(惠州)有限公司	The PRC 中國	Registered capital HK\$310,000,000 註冊資本310,000,000港元	–	100%	Manufacture of magnesium alloy die casting products and components 生產鎂合金壓鑄產品及 零部件

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

20. INVESTMENTS IN SUBSIDIARIES (Continued)

20. 於附屬公司的投資(續)

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/ voting power/ profit sharing 應佔權益/投票權/ 溢利百份比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Elegant Shine Investments Limited 雅輝投資有限公司	BVI 英屬處女群島	US\$1 1美元	-	100%	Investment holding 投資控股
Ample Wealth Property Developments (Huizhou) Limited 富豐物業開發(惠州)有限公司	The PRC 中國	Registered capital HK\$6,800,000 註冊資本6,800,000港元	-	100%	Inactive 暫無業務
Ka Shui Technology Limited 嘉瑞科技有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	100%	Investment holding 投資控股
Wing Yu (Far East) Industries Company Limited 永裕(遠東)實業有限公司	Hong Kong 香港	HK\$6,900,000 6,900,000港元	-	100%	Investment holding 投資控股
Huizhou Wing Yu Metal and Plastic Manufactory Company Limited 惠州市永裕五金塑料製品有限公司	The PRC 中國	Registered capital HK\$4,500,000 註冊資本4,500,000港元	-	100%	Provision of surface finishing treatment services and sale and manufacture of zinc alloy die casting products and components 提供表面處理服務及銷售及生產 鋅合金壓鑄產品及零部件
Ka Yi Technology (Huizhou) Company Limited 嘉宜科技(惠州)有限公司	The PRC 中國	Registered capital HK\$20,000,000 註冊資本20,000,000港元	-	100%	Sale and manufacture of zinc and aluminium alloy die casting products and components 銷售及生產鋅及鋁合金壓鑄產品及 零部件
Ka Fung Industrial Technology (Huizhou) Company Limited 嘉豐工業科技(惠州)有限公司	The PRC 中國	Registered capital HK\$92,000,000 註冊資本92,000,000港元	-	100%	Sale and manufacture of products and components with plastic contents 銷售及生產含塑膠部件之產品及 零部件
Alphalite Company Limited 嘉能照明有限公司	Hong Kong 香港	HK\$1 1港元	-	100%	Trading and marketing of plasma lighting products 從事等離子照明產品 之貿易及市場推廣

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

20. INVESTMENTS IN SUBSIDIARIES (Continued)

20. 於附屬公司的投資(續)

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/ voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ka Shui Metal Manufactory (Shenzhen) Company Limited 嘉瑞金屬製品(深圳)有限公司	The PRC 中國	Registered capital HK\$40,000,000 註冊資本40,000,000港元	-	100%	Sale and manufacture of zinc and magnesium alloy die casting products and component 銷售及生產鋅及鎂合金壓鑄 產品及部件
Alphalite Incorporation	USA 美國	US\$100 100美元	-	100%	Trading and marketing of plasma lighting products 從事等離子照明產品 之貿易及市場推廣
Ka Shui (USA) Incorporation	USA 美國	US\$5,000 5,000美元	-	100%	Marketing of zinc and magnesium alloy die casting and plastic injection products and components 從事鋅及鎂合金壓鑄及塑膠 注塑產品及部件之市場推廣
Kalok Technology Investment Limited 嘉樂科技投資有限公司	BVI 英屬處女群島	US\$50,000 50,000美元	-	100%	Investment holding 投資控股
Wuhu Lenka Technologies Company Limited ("Wuhu Lenka") 蕪湖聯嘉工業科技有限公司 (「蕪湖聯嘉」)	The PRC 中國	Registered capital RMB50,000,000 註冊資本 50,000,000人民幣	-	100%	Sale and manufacture of magnesium alloy die casting products and components 銷售及生產鎂合金壓鑄 產品及部件
Topanga Asia Limited ("Topanga Asia") 勁亮嘉科技有限公司(「勁亮嘉」)	Hong Kong 香港	HK\$116,520,824 116,520,824港元	-	79.7%	Sale of plasma lighting products 生產等離子照明產品
Topanga USA Inc.	USA 美國	US\$1 1美元	-	79.7%	Research and development of plasma lighting products 研發等離子照明產品
Topanga Technology (Huizhou) Limited 勁亮嘉科技(惠州)有限公司	The PRC 中國	Registered capital HK\$6,500,000 註冊資本 6,500,000港元	-	79.7%	Manufacturing of plasma lighting products 生產等離子照明產品
Ka Shui Metal Company Limited 嘉瑞金屬有限公司	Hong Kong 香港	HK\$30,000,000 30,000,000港元	-	100%	Sale of zinc die casting products and components 銷售鋅合金壓鑄產品及零部件

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

20. INVESTMENTS IN SUBSIDIARIES (Continued)

20. 於附屬公司的投資(續)

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Issued and fully paid up share capital/ registered capital 已發行及繳足股本/註冊資本	Percentage of ownership interest/ voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Katchon 嘉昌	BVI 英屬處女群島	US\$700 700美元	-	100%	Investment holding 投資控股
Katchon Industrial Company Limited 嘉昌工業有限公司	Hong Kong 香港	HK\$1 1港元	-	100%	Inactive 暫無業務
Goodly 卓研	Hong Kong 香港	HK\$50,000 50,000港元	-	100%	Investment holding 投資控股
Goodly Precision (Suzhou) Industrial Limited ("Goodly Suzhou") 卓研精密工業(蘇州)有限公司 (「卓研蘇州」)	The PRC 中國	US\$5,000,000 5,000,000美元	-	100%	Research, manufacture and sale of plastic injection molding and components of car-related products 汽車相關之塑膠注塑零部件之 研發、生產及銷售

MG Technology (Shenzhen) Company Limited, Ka Shui Technology (Huizhou) Company Limited, Ample Wealth Property Developments (Huizhou) Limited, Ka Yi Technology (Huizhou) Company Limited, Ka Fung Industrial Technology (Huizhou) Company Limited, Ka Shui Metal Manufactory (Shenzhen) Company Limited, Huizhou Wing Yu Metal and Plastic Manufactory Company Limited, Topanga Technology (Huizhou) Limited, Wuhu Lenka and Goodly Suzhou are wholly-foreign owned enterprises established in the PRC.

During the year, the Group acquired the equity interest in Wuhu Lenka of 40% from the non-controlling shareholders at a cash consideration of RMB17,800,000 (equivalent to HK\$21,243,000). After the acquisition, Wuhu Lenka became a wholly owned subsidiary of the Company.

創金美科技(深圳)有限公司、嘉瑞科技(惠州)有限公司、富豐物業開發(惠州)有限公司、嘉宜科技(惠州)有限公司、嘉豐工業科技(惠州)有限公司、嘉瑞金屬製品(深圳)有限公司、惠州市永裕五金塑料製品有限公司、勁亮嘉科技(惠州)有限公司、蕪湖聯嘉及卓研蘇州為於中國成立之外商獨資企業。

於本年度，本集團向非控股股東收購蕪湖聯嘉40%股權，現金代價為人民幣17,800,000元(相當於21,243,000港元)。收購後，蕪湖聯嘉成為本公司的全資附屬公司。

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綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

20. INVESTMENTS IN SUBSIDIARIES (Continued)

During the year, the Group had injected capital of US\$4,832,987 (equivalent to approximately HK\$37,455,649) to Topanga Asia in return of the issue of 898,936 ordinary shares by Topanga Asia. After the capital injection, the Group's interest in Topanga Asia increased from 60% to approximately 79.7%.

As at 31 December 2015, the bank and cash balances of the Group's subsidiaries in the PRC denominated in RMB amounted to approximately HK\$116,230,000 (2014: HK\$159,509,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

20. 於附屬公司的投資(續)

年內，本集團向勁亮嘉注入資本4,832,987美元(相當於約37,455,649港元)，以交換勁亮嘉所發行之898,936股普通股。在注資之後，本集團於勁亮嘉之權益從60%增至79.7%。

於二零一五年十二月三十一日，本集團於中國以人民幣計值的附屬公司的銀行及現金結餘約為116,230,000港元(二零一四年：159,509,000港元)。將人民幣兌換為外幣須根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》進行。

21. GOODWILL

21. 商譽

		HK\$'000 千港元
Cost	成本	
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	於二零一四年一月一日、 二零一四年十二月三十一日、 二零一五年一月一日及 二零一五年十二月三十一日	4,300
Accumulated impairment losses	累計減值虧損	
At 1 January 2014	於二零一四年一月一日	2,670
Impairment loss recognised for the year	於本年度確認的減值虧損	1,630
At 31 December 2014, 1 January 2015 and 31 December 2015	於二零一四年十二月三十一日、 二零一五年一月一日及 二零一五年十二月三十一日	4,300
Carrying amount	賬面值	
At 31 December 2015	於二零一五年十二月三十一日	-
At 31 December 2014	於二零一四年十二月三十一日	-

For the year ended 31 December 2015 截至二零一五年十二月三十一日

21. GOODWILL (Continued)

Goodwill acquired from a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated in the segment of lighting products.

The recoverable amounts of the CGUs are determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on expected growth rate of the industry in which the businesses of the CGUs operate. Budgeted gross margin and revenue are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the management of the subsidiaries for the next 5 years with the residual period using the growth rate of 3% in 2014. This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows from the Group's lighting products activities is 26.3% for 2014.

At 31 December 2014, before impairment testing, goodwill of approximately HK\$4,300,000 was allocated to lighting products segment. Due to changes in market condition, the Group has revised its cash flow forecasts for these CGUs. The goodwill allocated to lighting products has therefore been reduced to its recoverable amount of HK\$Nil through recognition of an impairment loss against goodwill of approximately HK\$1,630,000 during the year ended 31 December 2014.

The impairment loss has been included in the other operating expenses and income in the consolidated statement of profit or loss.

21. 商譽(續)

於業務合併中收購的商譽乃於收購時分配至預期將自該業務合併獲益的現金產生單位。商譽的賬面值已於照明產品分部分配。

現金產生單位的可收回金額乃按彼等的使用價值為基準使用折現現金流法釐定。折現現金流法的主要假設乃與本期間的貼現率、增長率及預計毛利率及收入有關。本集團乃以反映市場現時對金錢時值及現金產生單位特定風險的評估的稅前比率估計折現率。增長率乃基於現金產生單位經營所在行業的預期經濟增長率計算。預計毛利率及收入乃基於市場發展的過往慣例及預期計算。

於二零一四年，本集團根據附屬公司管理層批准並按最近期之財務預算編制之未來五年之現金流預測，並按3%增長率估算剩餘年期之現金流。該增長率並未超逾相關市場的平均長期增長率。

於二零一四年，本集團照明產品業務用以折現預計現金流量的增長率為26.3%。

於二零一四年十二月三十一日，商譽減值測試前，商譽約4,300,000港元已分配至照明產品分部。由於市場條件改變，本集團就該等現金產生單位修訂其現金流預測。於截至二零一四年十二月三十一日止年度，分配至照明產品的商譽已透過確認商譽的減值虧損1,630,000港元，減少至其可收回款項至零。

減值虧損已計入綜合損益表的其他營運開支及收入內。

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綜合財務報表附註(續)

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22. INTANGIBLE ASSETS

22. 無形資產

		Club membership (purchased)	Trademark (purchased)	Patent and unpatented technologies (purchased)	Total
		會所會籍 (購買)	商標 (購買)	專利及 非專利技術 (購買)	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cost	成本				
At 1 January 2014, 31 December 2014 and 1 January 2015	於二零一四年一月一日、 二零一四年十二月三十一日及 二零一五年一月一日	718	7,531	9,280	17,529
Reclassified as held for sale	再分類為持作銷售	-	(7,531)	(9,280)	(16,811)
At 31 December 2015	於二零一五年十二月三十一日	718	-	-	718
Accumulated amortisation and impairment losses	累計攤銷及減值虧損				
At 1 January 2014	於二零一四年一月一日	-	359	442	801
Amortisation for the year	年內攤銷	-	1,076	1,326	2,402
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日 及二零一五年一月一日	-	1,435	1,768	3,203
Amortisation for the year	年內攤銷	-	1,076	1,326	2,402
Impairment on intangible assets	無形資產減值	-	5,020	6,186	11,206
Reclassified as held for sale	再分類為持作銷售	-	(7,531)	(9,280)	(16,811)
At 31 December 2015	於二零一五年十二月三十一日	-	-	-	-
Carrying amount	賬面值				
At 31 December 2015	於二零一五年十二月三十一日	718	-	-	718
At 31 December 2014	於二零一四年十二月三十一日	718	6,096	7,512	14,326

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綜合財務報表附註(續)

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22. INTANGIBLE ASSETS (Continued)

Both the trademark and patent and unpatent technologies were acquired through business combination of Topanga Asia in 2013. The Group's trademark protects the design and specification of the Group's products. The patent and unpatent technologies are developed from research and development activities of a non-controlling shareholder before the acquisition of the business of lighting products. The average remaining amortisation period of the trademark and patent and unpatent technologies are nil (2014: 6 years). The amortisation charges have been included in the administrative expenses in the consolidated statement of profit or loss.

The Group had carried out reviews of recoverable amount of its trademark and patent and unpatent technologies in 2015, having regard to the market conditions of the lighting products. The intangible assets are used in the plasma lighting CGU. The review led to the recognition of an impairment loss of approximately HK\$11,206,000 and HK\$4,750,000 in the profit or loss for these assets and for property, plant and equipment (note 19) respectively in the plasma lighting CGU. The recoverable amount of HK\$Nil for the relevant CGU has been determined on the basis of their value in use using discounted cash flow method. The discount rate used was 27.17%.

The Group's club membership of HK\$718,000 (2014: HK\$718,000) at 31 December 2015 is assessed as having indefinite useful life because there is no time limit that the Group can enjoy the services provided by that club.

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Unlisted equity, at cost	非上市股本(按成本計算)	8,303	8,303
Impairment loss	減值虧損	(8,303)	(8,303)
		-	-

Unlisted equity is carried at cost. The investee company has ceased business and the management has made full impairment loss for the investment.

22. 無形資產(續)

商標以及專利及非專利技術乃透過二零一三年勁亮嘉之業務合併收購。本集團的商標保障本集團產品的設備及規格。專利及非專利技術乃於收購照明產品業務前為一名非控股股東進行的研發活動而開發。商標以及專利及非專利技術的平均剩餘攤銷期為無(二零一四年:六年)。撇銷費用已計入綜合損益表的行政開支內。

鑒於照明產品的市場狀況，本集團於二零一五年對其商標及專利及非專利技術的可收回金額進行檢討。該等無形資產乃用於等離子照明現金產生單位。有關檢討導致於損益賬內分別就等離子照明現金產生單位的該等資產以及物業、機器及設備(附註19)確認減值虧損約11,206,000港元及4,750,000港元。根據有關現金產生單位的使用價值採用貼現現金流法釐定的可收回金額為零港元。所使用的貼現率為27.17%。

於二零一五年十二月三十一日，由於本集團享用會所提供的服務方面並無時間限制，本集團的會所會籍718,000港元(二零一四年:718,000港元)乃按具有無限可使用年期進行評估。

23. 可供出售金融資產

非上市股本投資乃按成本入賬。被投資公司已終止業務及管理層已對此項投資作出全數減值虧損。

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綜合財務報表附註(續)

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24. INVENTORIES

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Raw materials	原材料	61,661	52,229
Consumables supplies and spare parts	消耗品及備用零部件	9,902	13,625
Work in progress	在製品	51,959	64,143
Finished goods	製成品	72,590	77,925
		196,112	207,922
Less: Allowance for inventories	減：存貨撥備	(19,599)	(7,350)
		176,513	200,572
Reclassified as held for sale	再分類為持作銷售	(2,589)	-
		173,924	200,572

24. 存貨

25. TRADE RECEIVABLES

During the year 2015, the Group obtained finance for part of its trade debtors with full recourse from financial institutions. In the event of default by the debtors, the Group is still obliged to pay the financial institutions the amount in default. Interest is charged on average at 2.21% (2014: 2.15%) per annum on the proceeds received from the financial institutions until the date the debtors pay. The Group is therefore exposed to the risks of credit losses and late payment in respect of the secured debts.

The trade receivables in respect of the financed transactions do not meet the de-recognition conditions in HKAS 39 as the Group retains substantially all of the risks and rewards of ownership of the financed trade debts. At 31 December 2015, trade debts of HK\$25,276,000 (2014: HK\$102,061,000) continue to be recognised in the Group's consolidated financial statements. The proceeds of the financed transactions are included in borrowings as asset-backed financing (note 33) until the trade debts are collected and the Group settles the borrowings to the financial institutions. At 31 December 2015, the asset-backed financing liability amounted to HK\$24,490,000 (2014: HK\$95,639,000). Up to the date of this annual report, asset-backed financing of HK\$5,900,000 (2014: HK\$2,000,000) is still outstanding.

25. 貿易應收款項

於二零一五年，本集團向金融機構貼現具有完全追索權的部分貿易應收賬款。倘若有關債務人違約，本集團須向金融機構支付違約金額。有關利息按自金融機構獲得的有關款項的平均2.21%年利率(二零一四年：2.15%)計算，直至有關債務人支付該等賬款。因此，本集團就貼現債務承擔信貸損失及延期支付風險。

有關貿易應收款項之貼現交易並不符合香港會計準則第39號有關取消確認金融資產的規定，因為本集團保留貼現貿易應收賬款所有權的大多數風險及回報。於二零一五年十二月三十一日，此等貿易應收賬款為25,276,000港元(二零一四年：102,061,000港元)繼續於本集團綜合財務報表中確認。貼現交易的所得款項作為資產抵押融資(附註33)列入借貸，直至收回貿易債務或本集團結清金融機構之借貸。於二零一五年十二月三十一日，資產抵押融資負債為24,490,000港元(二零一四年：95,639,000港元)。截至本年報日期，仍未收回之資產抵押融資為5,900,000港元(二零一四年：2,000,000港元)。

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綜合財務報表附註(續)

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25. TRADE RECEIVABLES (Continued)

The Group's trading terms with customers are mainly on credit. The credit terms generally ranged from 30 to 120 days (2014: 30 to 120 days) after end of the month in which the invoices issued. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors. The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is stated as follows:

25. 貿易應收款項(續)

本集團與客戶之交易主要以信貸形式進行。信貸期一般介乎開票當月結束後30至120天(二零一四年: 30至120天)。本集團致力嚴格控制未償還應收款, 由董事定期檢討過期未付結餘。應收賬款(扣除撥備)按發票日期之賬齡分析載列如下:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
0 to 30 days	0至30日	149,268	155,168
31 to 60 days	31至60日	113,081	126,265
61 to 90 days	61至90日	46,896	51,074
91 to 180 days	91至180日	50,196	74,230
Over 180 days	180日以上	2,526	8,035
		361,967	414,772
Reclassified as held for sale	再分類為持作銷售	(582)	-
		361,385	414,772

At 31 December 2015, an allowance was made for estimated irrecoverable trade receivables of approximately HK\$53,000 (2014: HK\$2,113,000).

於二零一五年十二月三十一日, 就估計不可收回應收賬款作出撥備約53,000港元(二零一四年: 2,113,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

25. TRADE RECEIVABLES (Continued)

Reconciliation of allowance for trade receivables:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
At 1 January	於一月一日	2,113	1,984
Allowance for the year charged to profit or loss	計入損益賬之本年度撥備	-	411
Reversal upon recovery of doubtful debts	呆賬於收回時回撥	(358)	(282)
Reversal upon write off of bad debts	壞賬於撇銷時回撥	(1,702)	-
At 31 December	於十二月三十一日	53	2,113

As of 31 December 2015, trade receivables of approximately HK\$52,038,000 (2014: HK\$70,513,000) were past due but not impaired. These relate to a number of independent customers for whom there are no recent history of default. The ageing analysis of these trade receivables, based on the due date, is as follows:

25. 貿易應收款項(續)

貿易應收款項撥備之對賬:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
At 1 January	於一月一日	2,113	1,984
Allowance for the year charged to profit or loss	計入損益賬之本年度撥備	-	411
Reversal upon recovery of doubtful debts	呆賬於收回時回撥	(358)	(282)
Reversal upon write off of bad debts	壞賬於撇銷時回撥	(1,702)	-
At 31 December	於十二月三十一日	53	2,113

於二零一五年十二月三十一日，約52,038,000港元(二零一四年：70,513,000港元)的貿易應收款項為逾期但無減值撥備。該等款項與眾多最近並無拖欠紀錄的獨立客戶有關。逾期貿易應收款項根據到期日的賬齡分析如下：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Up to 3 months	3個月以內	50,749	65,772
4 to 6 months	4至6個月	734	3,876
Over 6 months	6個月以上	920	865
Reclassified as held for sale	再分類為持作銷售	52,403 (365)	70,513 -
		52,038	70,513

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綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

25. TRADE RECEIVABLES (Continued)

The carrying amount of the Group's trade receivables is denominated in the following currencies:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
HK\$	港元	54,108	30,353
USD	美元	269,109	351,710
RMB	人民幣	35,632	29,705
Others	其他	3,118	3,004
		361,967	414,772
Reclassified as held for sale	再分類為持作銷售	(582)	-
		361,385	414,772

25. 貿易應收款項(續)

本集團貿易應收款項的賬面值以下列貨幣列值：

26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

As at 31 December 2014, included in other receivables was a loan of HK\$10 million advanced to a third party ("Borrower") pursuant to a loan agreement dated 19 December 2014. The loan was made on the same date at an interest rate of 7% per annum, and secured by the charges over the shares of certain companies held by the Borrower and some other parties, and the guarantees made by the Borrower and these other parties. The loan was due on 2 March 2015 and was fully repaid to the Group on the same date. On 3 March 2015, the Group entered into another loan agreement with the Borrower with the same principal, terms and securities. The loan was subsequently settled during the year.

26. 預付款項、按金及其他應收款項

於二零一四年十二月三十一日，其他應收款項包括一筆根據日期為二零一四年十二月十九日之貸款協議墊付予第三方(「借款人」)的貸款10,000,000港元。該筆貸款於協議當日作出，按年率7%計息，以借款人及若干其他方持有的若干公司股份之押記作抵押，並由借款人及該等其他方提供擔保。該貸款於二零一五年三月二日到期，並已於當日全額償還予本集團。於二零一五年三月三日，本集團與借款人訂立另一份貸款協議，本金、期限及抵押品與先前協議相同。該貸款其後已於年內結清。

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綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

27. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

27. 按公平值計入損益賬的金融資產/負債

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Financial assets	金融資產		
Currency forward contracts (note a)	遠期外匯合約(附註a)	-	614
Analysed as:	分析為:		
Current assets	流動資產	-	614
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Financial liabilities	金融負債		
Currency forward contracts (note a)	遠期外匯合約(附註(a))	71,121	8,888
Interest rate swap (note b)	利率掉期(附註b)	81	-
Contingent consideration payable (note c)	應付或然代價(附註(c))	7,166	-
		78,368	8,888
Analysed as:	分析為:		
Current liabilities	流動負債	52,434	8,888
Non-current liabilities	非流動負債	25,934	-
		78,368	8,888

The above financial assets and liabilities are classified as held for trading. 上述金融資產及負債為持作買賣。

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27. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes:

- (a) As at 31 December 2015, the Group had currency forward contracts to sell USD and buy RMB (2014: currency forward contracts to sell USD and buy RMB). The fair values of the derivatives are determined with reference to the market forward exchange rate at year end and the fixed forward rates stated in the contracts (2014: the market forward exchange rate at year end and the fixed forward rates stated in the contracts). The notional amounts of RMB and USD to be acquired or sold under forward contracts are set out below:

		2015	2014
		Notional amount	Notional amount
		名義金額	名義金額
Currency forward contracts	遠期外匯合約		
		Sales of	Sales of
		US\$159,000,000	US\$203,000,000
		in exchange for	in exchange for
		RMB1,007,130,000	RMB1,264,140,000
		出售159,000,000	出售203,000,000
		美元換取人民幣	美元換取人民幣
		1,007,130,000元	1,264,140,000元

- (b) As at 31 December 2015, the Group had an interest rate swap contract, pursuant to which the Group will pay fixed interests on notional amounts ranging from HK\$850,000 to HK\$3,200,000 each at a rate of 2.5% per annum, in exchange for floating interests on the same notional amounts at Hong Kong Interbank Borrowing Rate for every 3 months up to March 2019. The fair value of the interest rate swap is measured by reference to the notional amounts, the fixed rate and floating rate.

27. 按公平值計入損益賬的金融資產／負債

附註：

- (a) 於二零一五年十二月三十一日，本集團已訂立遠期外匯合約，以沽售美元及購入人民幣（二零一四年：遠期外匯合約以沽售美元及購入人民幣）。此等衍生工具之公平值參考年終的市場遠期匯率及合約中訂明的固定遠期匯率（二零一四年：以年終的市場遠期匯率及合約中訂明的固定遠期匯率）釐定。

- (b) 於二零一五年十二月三十一日，本集團持有利率掉期合約，根據該合約，本集團將就850,000港元至3,200,000港元的名義金額支付固定利息，年率均為2.5%，以換取截至二零一九年三月止每三個月按香港銀行同業借款利率計算相同名義金額的浮動利息。利率掉期的公平值參考名義金額、固定利率及浮動利率計算。

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27. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes: (Continued)

- (c) During the year, the Group acquired Goodly, details of which are set out in note 40(b). The consideration of the acquisition includes contingent consideration comprising cash and shares of Katchon, a subsidiary of the Company and the immediate holding company of Goodly after the acquisition, as follows:

		HK\$'000 千港元
Cash consideration	現金代價	1,200
Share consideration	股份代價	5,966
		7,166

The cash to be paid and shares to be allotted depend on the audited consolidated total comprehensive income of Goodly and its subsidiary for the year ended 31 December 2015. The fair value of shares of Katchon is estimated by the discounted cash flows of the expected profit stream of Goodly and its subsidiary.

27. 按公平值計入損益賬的金融資產／負債(續)

附註：(續)

- (c) 年內，本集團收購卓研，詳情載於附註40(b)。收購代價包括或然代價，即包括現金及嘉昌(本公司附屬公司及於收購後為卓研的直接控股公司)的股份，具體如下：

將支付現金及擬配發股份視乎卓研及其附屬公司截至二零一五年十二月三十一日止年度之經審核綜合全面收入總額而定。嘉昌股份之公平值按卓研及其附屬公司預期溢利流的貼現現金流量估算。

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28. PLEDGED BANK DEPOSITS, RESTRICTED BANK BALANCES AND BANK AND CASH BALANCES

The Group's pledged bank deposits represent the amounts pledged to banks to secure banking facilities as set out in note 34 to the consolidated financial statements and corporate credit card granted to the Group. The deposits are denominated in currencies as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
USD	美元	194	194
RMB	人民幣	-	20,039
		194	20,233
Reclassified as held for sale	再分類為持作銷售	(194)	-
		-	20,233

The deposits in USD and RMB carried at interest rate of 0.05% (2014: 0.05% per annum) and nil% per annum (2014: 2.25%) respectively.

The Group's restricted bank balances represent:

- (a) Balance of RMB3,450,000 (equivalent to approximately HK\$4,117,000) (2014: RMB3,450,000 (equivalent to approximately HK\$4,312,000)) to guarantee for the use of natural gas in the PRC;
- (b) Balance of approximately US\$7,000 (equivalent to approximately HK\$55,000) (2014: US\$6,000 (equivalent to approximately HK\$47,000)) to apply for a radioactive licence in the USA for the lighting product business. The balance for 2015 is reclassified as assets held for sale (note 29).

28. 已抵押銀行存款、有限制銀行存款與銀行及現金結餘

本集團的已抵押銀行存款指就本綜合財務報表附註34所載之銀行融資額及本集團獲授公司信用卡抵押予銀行作為擔保的款項。該存款以以下貨幣計值：

美元及人民幣的存款分別以年利率0.05% (二零一四年：年利率0.05%) 及年利率零 (二零一四年：年利率2.25%) 計息。

本集團的有限制銀行存款指：

- (a) 人民幣3,450,000元 (相等於約4,117,000港元) (二零一四年：3,450,000人民幣 (相等於約4,312,000港元)) 作為於中國使用天然氣的擔保；
- (b) 約7,000美元 (相等於約55,000港元) (二零一四年：6,000美元 (相等於約47,000港元)) 用作為照明產品業務於美國申請放射性執照。該餘額於2015年再分類為持作銷售資產 (附註29)。

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綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

28. PLEDGED BANK DEPOSITS, RESTRICTED BANK BALANCES AND BANK AND CASH BALANCES (Continued)

The cash at banks earned interest at floating interest rates ranging from 0.01% to 3.25% per annum (2014: 0.1% to 1.15% per annum). Included in the bank and cash balances of the Group is approximately HK\$142,893,000 (2014: HK\$175,905,000) denominated in RMB.

Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

The carrying amounts of bank and cash balances are denominated in the following currencies:

28. 已抵押銀行存款、有限制銀行存款與銀行及現金結餘(續)

銀行存款按每年0.01厘至3.25厘(二零一四年: 每年0.1厘至1.15厘)的浮動利率賺取利息。在本集團的銀行及現金結餘中,約142,893,000港元是以人民幣計值(二零一四年: 175,905,000港元)。

根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》,本集團可透過獲授權開展外匯業務的銀行以人民幣兌換外幣。

銀行及現金結餘之賬面值以下列貨幣為單位:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
HK\$	港元	47,798	24,343
USD	美元	72,341	35,568
RMB	人民幣	142,893	175,905
EURO	歐元	17	1,121
Others	其他	81	82
		263,130	237,019
Reclassified as held for sale	再分類為持作銷售	(2,601)	-
		260,529	237,019

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綜合財務報表附註(續)

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29. ASSETS CLASSIFIED AS HELD FOR SALE

29. 分類為持作銷售資產

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Assets of Topanga Asia and its subsidiaries	勁亮嘉及其附屬公司的資產	8,020	—
Liabilities directly associated with assets classified as held for sale	與持作出售資產直接相關的負債	2,502	—

On 31 December 2015, Topanga Asia entered into a non-legal binding term sheet with a third party, pursuant to which the third party intended to invest US\$1,150,000 to Topanga Asia, in return for approximately 51% the equity interest in Topanga Asia. Topanga Asia and its subsidiaries are engaged in sale, manufacture, research and development of plasma lighting products and forms part of the Group's lighting segment. The disposal was completed in February 2016. The Company estimated the fair value less costs to sell according to the consideration subsequently agreed with the third party. No impairment loss is required to adjust the carrying amount to fair value less costs to sell as the former is lower than the latter. The major classes of assets and liabilities of Topanga Asia and its subsidiaries at the end of the reporting period are as follows:

於二零一五年十二月三十一日，勁亮嘉與一第三方訂立一份無法律約束力的條款書，據此，該第三方擬向勁亮嘉投資1,150,000美元，以持有勁亮嘉的約51%股權。勁亮嘉及其附屬公司從事等離子照明產品的銷售、製造及研發，並為本集團照明業務分部的一部分。是項出售已於二零一六年二月完成。本公司按其後與該第三方協定的代價來估算公平值減出售成本。由於賬面值低於公平值減出售成本，故毋須作出減值虧損，以將賬面值調整至公平值減出售成本。勁亮嘉及其附屬公司於報告期末的主要資產及負債類別如下：

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綜合財務報表附註(續)

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29. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

29. 分類為持作銷售資產(續)

		2015 二零一五年 HK\$'000 千港元
Property, plant and equipment (after impairment)	物業、廠房及設備(減值後)	—
Intangible assets (after impairment)	無形資產(減值後)	—
Inventories	存貨	2,589
Trade receivables	貿易應收款項	582
Other receivables	其他應收款項	1,999
Restricted bank deposits	受限制銀行存款	55
Pledged bank deposits	已抵押銀行存款	194
Cash and bank balances	現金及銀行結餘	2,601
Assets of Topanga Asia classified as held for sale	分類為持作出售的勁亮嘉資產	8,020
Trade payables	貿易應付款項	162
Other payables	其他應付款項	2,340
Liabilities associated with assets classified as held for sale	與分類為持作出售資產相關的負債	2,502
Net assets of Topanga Asia classified as held for sale	分類為持作出售的勁亮嘉淨資產	5,518

The amount of cumulative expense recognised in other comprehensive income and accumulated in equity relating to assets held for sale is approximately HK\$24,000 (2014: HK\$4,000)

於其他全面收入確認並於權益中累計、與持作出售資產相關的累積開支約為24,000港元(二零一四年: 4,000港元)。

Subsequent to the end of the reporting period, on 5 February 2016, the Group entered into a share purchase agreement, according to which 1,912,069 shares were allotted to the third party and a non-controlling shareholder of Topanga Asia, representing 51.1% of Topanga Asia immediately after the share allotment.

於報告期末後，於二零一六年二月五日，本集團訂立一份購股協議，據此向第三方及勁亮嘉的一名非控股股東配發1,912,069股股份，佔緊隨股份配發後勁亮嘉的51.1%股權。

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

30. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
0 to 30 days	0至30日	60,775	80,372
31 to 60 days	31至60日	55,845	87,830
61 to 90 days	61至90日	52,850	63,985
91 to 180 days	91至180日	51,415	35,999
Over 180 days	180日以上	5,183	3,804
		226,068	271,990
Reclassified as held for sale	再分類為持作銷售	(162)	-
		225,906	271,990

The carrying amount of the Group's trade payables is denominated in the following currencies:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
HK\$	港元	4,740	9,714
USD	美元	38,088	52,308
RMB	人民幣	183,189	209,951
Others	其他	51	17
		226,068	271,990
Reclassified as held for sale	再分類為持作銷售	(162)	-
		225,906	271,990

30. 貿易應付款項、其他應付款項及應計費用

貿易應付款項按收貨日期計算的賬齡分析如下：

本集團貿易應付款項賬面值以下列貨幣為單位：

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綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

30. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (Continued)

Other payables and accruals comprise the following:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Accrued wages	應計工資	33,783	33,180
Other accrued expenses	其他應計費用	24,129	25,687
Other payables	其他應付款項	32,109	28,631
		90,021	87,498
Reclassified as held for sale	再分類為持作銷售	(2,340)	–
		87,681	87,498

The carrying amount of the Group's other payables and accruals is denominated in the following currencies:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
HK\$	港元	16,672	10,686
USD	美元	1,159	1,300
RMB	人民幣	72,190	75,512
		90,021	87,498
Reclassified as held for sale	再分類為持作銷售	(2,340)	–
		87,681	87,498

30. 貿易應付款項、其他應付款項及應計費用(續)

其他應付款項及應計費用包括以下各項：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Accrued wages	應計工資	33,783	33,180
Other accrued expenses	其他應計費用	24,129	25,687
Other payables	其他應付款項	32,109	28,631
		90,021	87,498
Reclassified as held for sale	再分類為持作銷售	(2,340)	–
		87,681	87,498

本集團其他應付款項及應計費用的賬面值按以下貨幣列值：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
HK\$	港元	16,672	10,686
USD	美元	1,159	1,300
RMB	人民幣	72,190	75,512
		90,021	87,498
Reclassified as held for sale	再分類為持作銷售	(2,340)	–
		87,681	87,498

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

31. DUE TO A RELATED COMPANY

Particulars of the amount due to a related company are as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Chit Shun Machinery Limited	捷迅機械設備有限公司	1,895	899

The amount due to a related company is of trade nature and is unsecured, interest free and repayable on demand. Mr. Lee has joint control in the related company.

31. 應付關連公司款項

應付關連公司款項詳情如下：

應付關連公司的款項為業務性質及並無抵押、免息及須在要求時即期償還。李先生在關連公司擁有共同控制。

32. DUE TO A DIRECTOR

The amount due represents an advance from Mr. Lee to a subsidiary. The amount due is unsecured, interest free and repayable on demand and was fully repaid during the year.

32. 應付董事款項

此款項為李先生向一附屬公司之墊款。此款項為無抵押、無利息及按要求償還及已於年內全數償還。

33. BANK BORROWINGS

The analysis of the carrying amount of bank borrowings are as follows:

33. 銀行借款

銀行借款的賬面值分析如下：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Current liabilities	流動負債		
Portion of bank borrowings due for repayment within one year	須於一年內到期償還的銀行貸款部分	318,542	363,681
Portion of bank borrowings due for repayment after one year which contains a repayment on demand clause	須於一年後到期償還的包含按要求償還條款的銀行貸款部分	79,504	62,650
Asset-backed financing (note (a))	資產抵押融資(附註a)	24,490	95,639
		422,536	521,970
Non-current liabilities	非流動負債		
Portion of bank borrowings due for repayment after one year which do not contain repayment on demand clause	須於一年後到期償還的不包含按要求償還條款的銀行貸款部分	181,051	28,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

33. BANK BORROWINGS (Continued)

The interest-bearing bank borrowings, including the bank borrowings repayable on demand, are carried at amortised cost. None of the portion of bank borrowings due for repayment after one year which contain a repayment on demand clause that is classified as current liabilities is expected to be settled within one year.

At 31 December 2015, interest-bearing bank loans were due for repayment as follows:

33. 銀行借款(續)

計息銀行貸款(包括須按要求償還的銀行貸款)乃按攤銷成本列賬。須於一年後到期償還的包含按要求償還條款且分類為流動負債的銀行貸款部分預期毋須於一年內清償。

於二零一五年十二月三十一日，到期償還的計息銀行貸款及透支如下：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Portion of bank borrowings due for repayment within one year	須於一年內到期償還的銀行貸款部分	318,542	363,681
Asset-backed financing (note (a))	資產抵押融資(附註a)	24,490	95,639
		343,032	459,320
Portion of bank borrowings due for repayment after one year which contains a repayment on demand clause (note (b)):	須於一年後到期償還(包含按要求償還條款)的銀行貸款部分(附註b):		
After 1 year but within 2 years	一年之後但兩年之內	36,759	31,645
After 2 years but within 5 years	兩年之後但五年之內	42,745	31,005
		79,504	62,650
Portion of bank borrowings due for repayment after one year which do not contain a repayment on demand clause:	須於一年後到期償還(不包含按要求償還條款)的銀行貸款部分:		
After 1 year but within 2 years	一年之後但兩年之內	70,682	28,000
After 2 years but within 5 years	兩年之後但五年之內	110,369	–
		181,051	28,000
		603,587	549,970

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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33. BANK BORROWINGS (Continued)

Notes:

- (a) The asset-backed financing represents the amount of financing obtained in invoice financing transactions which do not meet the de-recognition requirement in HKAS 39. The corresponding assets are included in trade receivables (note 25).
- (b) The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

Ten (2014: nine) of the bank facilities are subject to the fulfillment of covenants relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. Should the Group breach the covenants, the drawn down facilities would become repayable on demand. In addition, some of the Group's bank loan agreements contain clauses which give the lenders the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations.

The Group regularly monitors its compliance with these covenants, is up to date with the scheduled repayments of the bank borrowings. Further details of the Group's management of liquidity risk are set out in note 6(c). During the year ended 31 December 2015, covenants relating to drawn down facilities with two banks containing repayment on demand clauses had been breached. The breach permitted the banks to demand accelerated repayment. These covenants include certain requirements in the total liabilities to total equity ratio and interest cover. The total carrying amount of these borrowings amounted to HK\$65,572,000 (2014: HK\$Nil) at 31 December 2015, and were already classified as current liabilities as the Group has no unconditional right to defer repayment after one year from the end of the reporting period. These covenants have been re-negotiated and remedied after the end of the reporting period.

33. 銀行借款(續)

附註:

- (a) 資產抵押融資指透過不符合香港會計準則第39號的取消確認規定之交易而獲得的融資金額。有關資產列入貿易應收賬款(附註25)。
- (b) 結欠款項乃按貸款協議所載的預定還款期為基準,並無計及任何按要求償還條款的影響。

十個(二零一四年:九個)銀行融資額度需符合有關本集團若干財務比率之契諾,該等契諾通常於與金融機構訂立之貸款安排中出現。倘本集團違反有關契諾,則已動用之融資額度須按要償還。此外,本集團若干定期貸款協議之條款中給予貸款人全權酌情決定隨時要求即時償還貸款的權利,而無論本集團是否遵守契諾及符合預定償還職責。

本集團定期監控此等契諾之遵守,並根據銀行貸款的預定還款期作出償還。本集團控制流動資金風險的其他詳情載於附註6(c)。截至二零一五年十二月三十一日止年度,與兩間銀行訂立之有關提取信貸之契諾(包括按要還款條款)已遭違約,違約後,銀行可要求加快還款。該等契諾包括負債總額與權益總額比率及利息保障的若干要求。該等借款於二零一五年十二月三十一日的總賬面值為65,572,000港元(二零一四年:零港元),並已列為流動負債,因本集團並無條件權利於報告期末起一年後延後還款。該等契諾已於報告期末後重新協商並作出補救。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

33. BANK BORROWINGS (Continued)

All bank borrowings were arranged at floating interest rate. The range of the interest rates per annum at 31 December 2015 was as follows:

		2015 二零一五年 %	2014 二零一四年 %
		Per annum 每年	per annum 每年
Floating rate	浮動利率	1.7% to 4.0%	1.7% to 4.0%

The carrying amount of the bank borrowings is denominated in the following currencies:

33. 銀行借款(續)

所有銀行借款乃按浮動利率計息。於二零一五年十二月三十一日的年利率範圍如下：

銀行借款賬面值以下列貨幣為計算單位：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
HK\$	港元	587,220	542,796
USD	美元	16,367	7,174
Total	總計	603,587	549,970

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

34. BANKING FACILITIES

As at 31 December 2015, the Group had available banking facilities of approximately HK\$937 million (2014: HK\$888 million), which were utilised to the extent of approximately HK\$604 million (2014: HK\$550 million). These banking facilities were secured by the following:

- (a) corporate guarantees provided by the Company and certain subsidiaries of the Group;
- (b) a property situated in Hong Kong owned by the Group;
- (c) pledged bank deposits;
- (d) guarantee from the Government of Hong Kong Special Administrations Region Under Special Loan Guarantee Scheme;
- (e) personal guarantee provided by the former shareholder of Goodly;
- (f) guarantee from The Hong Kong Mortgage Corporation Limited; and
- (g) all monies assignment of rental over the property situated in Hong Kong owned by the Group.

34. 銀行信貸

於二零一五年十二月三十一日，本集團可動用的銀行信貸約為937,000,000港元（二零一四年：888,000,000港元），而已動用的數額約為604,000,000港元（二零一四年：550,000,000港元）。此等銀行信貸以下列項目作為抵押：

- (a) 本公司及本集團某些附屬公司提供的公司擔保；
- (b) 本集團擁有的一項香港物業；
- (c) 已抵押銀行存款；
- (d) 香港特別行政區政府在特別貸款擔保計劃下提供的擔保；
- (e) 卓研前股東提供之個人擔保；
- (f) 香港按揭證券有限公司發出之擔保；及
- (g) 本集團在香港擁有之物業由租金轉讓之所有金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

35. DEFERRED TAX ASSETS/LIABILITIES

The following is the deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the year:

Deferred tax liabilities:

35. 遞延稅項資產／負債

以下為本集團於年內已確認的主要遞延稅項負債及資產與相關變動：

遞延稅項負債：

		Revaluation of leasehold land	Accelerated tax depreciation	Intangible assets and inventories	Total
		租賃土地 價值重估 HK\$'000 千港元	加速稅項 折舊 HK\$'000 千港元	無形資產 及存貨 HK\$'000 千港元	總數 HK\$'000 千港元
At 1 January 2014	於二零一四年一月一日	21,627	31	2,641	24,299
Charge to equity for the year	於年內權益扣除	4,416	–	–	4,416
Credit to profit or loss for the year (note 13)	於年內入賬至損益 (附註13)	(127)	–	(396)	(523)
Exchange realignment	匯兌調整	(337)	–	–	(337)
At 31 December 2014 and 1 January 2015	於二零一四年 十二月三十一日及 二零一五年一月一日	25,579	31	2,245	27,855
Charge to equity for the year	於年內權益扣除	10,688	–	–	10,688
Credit to profit or loss for the year (note 13)	於年內入賬至損益 (附註13)	(124)	–	(2,245)	(2,369)
Exchange realignment	匯兌調整	(926)	–	–	(926)
At 31 December 2015	於二零一五年 十二月三十一日	35,217	31	–	35,248

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

35. DEFERRED TAX ASSETS/LIABILITIES (Continued)

Deferred tax assets:

35. 遞延稅項資產／負債(續)

遞延稅項資產：

		Financial liabilities at fair value through profit or loss 按公平值計入損益之金融負債 HK\$'000 千港元	Fair value adjustment on business combination 業務合併的公平值調整 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2014, 31 December 2014 and 1 January 2015	於二零一四年一月一日、 二零一四年十二月三十一日 及二零一五年一月一日	-	-	-
Acquisition of business	收購業務	18	520	538
Credit to profit or loss for the year (note 13)	計入年內損益(附註13)	11,738	6	11,744
At 31 December 2015	於二零一五年十二月三十一日	11,756	526	12,282

At 31 December 2015, the Group had unused tax losses of approximately HK\$207,981,000 (2014: HK\$125,087,000) and deductible temporary differences in respect of the pre-operating expenses of the PRC subsidiaries of HK\$Nil (2014: HK\$305,000) which are available for offset against future profits. No deferred tax asset has been recognised in respect of these tax losses and deductible temporary differences due to the unpredictability of future profit streams. Included in the unrecognised tax losses are losses of approximately HK\$9,849,000 (2014: HK\$Nil) which may be carried forward indefinitely. The remaining unrecognised tax losses of approximately HK\$198,132,000 (2014: HK\$125,087,000) will expire as follows:

於二零一五年十二月三十一日，本集團有未動用稅項虧損約207,981,000港元(二零一四年：125,087,000港元)及就中國附屬公司之開業前費用有可扣除臨時差額零港元(二零一四年：305,000港元)可供抵銷未來溢利。本集團並無就該等稅項虧損及可扣除臨時差額確認遞延稅項資產，因為未能確定未來溢利流入。未確認稅項虧損中包括虧損約9,849,000港元(二零一四年：零港元)，可無限期結轉。餘下之未確認稅項虧損約198,132,000港元(二零一四年：125,087,000港元)將於下列期間到期：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

35. DEFERRED TAX ASSETS/LIABILITIES (Continued)

35. 遞延稅項資產／負債(續)

		Group 本集團	
		2015 二零一五年	2014 二零一四年
		HK\$'000 千港元	HK\$'000 千港元
Year 2015	二零一五年	9,870	9,870
Year 2016	二零一六年	11,938	11,938
Year 2017	二零一七年	12,274	12,274
Year 2018	二零一八年	17,690	17,690
Year 2019	二零一九年	36,972	36,972
Year 2020	二零二零年	45,902	–
Year 2033	二零三三年	7,311	7,311
Year 2034	二零三四年	29,032	29,032
Year 2035	二零三五年	27,143	–
		198,132	125,087

At 31 December 2015, the aggregate amount of undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is approximately HK\$325,908,000 (2014: HK\$294,358,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not be reversed in the foreseeable future.

於二零一五年十二月三十一日，與附屬公司未分派盈利有關而未確認遞延稅項負債合共約325,908,000港元(二零一四年：294,358,000港元)。本集團並無就此等差額確認負債，原因為本集團能控制臨時差額的回撥，而該差額將不可能於可見未來回撥。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

36. SHARE CAPITAL

36. 股本

		Group and Company 本集團及本公司	
		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
		Note 附註	
Authorised:	法定：		
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股		
At 1 January 2014,	於二零一四年一月一日、		
31 December 2014,	二零一四年十二月三十一日、		
1 January 2015 and	二零一五年一月一日及		
31 December 2015	二零一五年十二月三十一日	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股		
At 1 January 2014	於二零一四年一月一日	893,453,400	89,345
Issue of shares upon the exercise of share options	於行使購股權而發行之普通股	(a) 98,000	10
Grant of shares under share award scheme	根據股份獎勵計劃授出之股份	(b) 210,000	21
At 31 December 2014,	於二零一四年十二月三十一日、		
1 January 2015 and	二零一五年一月一日及		
31 December 2015	二零一五年十二月三十一日	893,761,400	89,376

- (a) In 2014, 98,000 ordinary shares were issued at HK\$0.415 per share as a result of the exercise of share options of the Company. (a) 於二零一四年，由於行使本公司購股權而以0.415港元發行98,000股普通股。
- (b) In 2014, 210,000 ordinary shares were granted, allotted and issued to an employee of the Group pursuant to the share award scheme of the Company. (b) 於二零一四年，按本公司之股份獎勵計劃而授出、配發及發行210,000股普通股。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

36. SHARE CAPITAL (Continued)

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the previous year.

The capital structure of the Group consists of cash and cash equivalents and total equity, comprising issued share capital, reserves, retained earnings and non-controlling interests. The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The net gearing ratio at the year end is as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Debt (a)	負債(a)	603,587	549,970
Less: Pledged bank deposits	減：已抵押銀行存款	(194)	(20,233)
Restricted bank deposits	有限制銀行存款	(4,172)	(4,359)
Bank and cash balances	銀行及現金結餘	(263,130)	(237,019)
Net debt	負債淨額	336,091	288,359
Equity (b)	權益(b)	731,500	849,543
Net debt to equity ratio	債務淨額與權益比率	45.9%	33.9%

(a) Debt is defined as bank borrowings as detailed in note 33 to the consolidated financial statements.

(b) Equity includes all capital and reserves of the Group.

36. 股本(續)

本集團管理其資本以確保本集團將可持續經營，而持份者亦可透過優化債務及權益結餘取得最大回報。本集團的整體策略與去年無異。

本集團的資本架構包括現金及等同現金項目及權益總額，包括已發行股本、儲備、保留盈利及非控股權益。本公司董事每半年檢討一次資本架構。於進行檢討時，董事考慮資本成本及有關各類資本的風險。根據董事的建議，本集團將透過派付股息、發行新股及購回股份以及發行新債項或贖回現有債項，藉以平衡整體資本架構。

於年終的淨借貸比率如下：

(a) 債務乃界定為銀行借款，有關詳情載於綜合財務報表附註33。

(b) 權益包括本集團所有資本及儲備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

36. SHARE CAPITAL (Continued)

The only externally imposed capital requirements for the Group are (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of its shares, and (ii) to meet financial covenants attached to the interest-bearing borrowings. The Group receives reports from major shareholders and other connected persons on any changes in shares held by them to ensure the continuing compliance with the 25% limit throughout the year. As at 31 December 2015, 29.51% (2014: 29.51%) of the shares were in public hands. Breaches in meeting the financial covenants would permit the banks to immediately call for repayment of borrowings. The financial covenants of the bank borrowings containing repayment on demand clauses drawn from two banks had been breached which permitted the banks to demand accelerated repayment as at 31 December 2015. Details are set out in note 33 to the consolidated financial statements.

36. 股本(續)

本集團唯一向外承擔之資本規定為(i)於聯交所之上市地位及具有不少於25%之公眾持股量；及(ii)遵守附於計息借款之財務契約。本集團從主要股東及其他關連人士收取有關彼等所持有的股份之任何變動的報告，以確保年內持續遵守25%的限制。於二零一五年十二月三十一日，29.51% (二零一四年：29.51%) 之股份由公眾持有。違反財務契約將容許銀行即時收回借款。於二零一五年十二月三十一日，有兩間銀行載有按要求償還的條款之銀行借款財務契約被違反而容許銀行要求加速還款。詳情載於綜合財務報表附註33。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

37. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

37. 財務狀況表及本公司之儲備變動

(a) 本公司財務狀況表

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
	Note 附註		
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司的投資	68,210	37,494
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	70	98
Due from subsidiaries	應收附屬公司款項	373,277	373,277
Bank and cash balances	銀行及現金結餘	82	319
		373,429	373,694
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	14	8
Due to subsidiaries	應付附屬公司款項	81,828	66,595
Financial guarantee contracts liabilities	融資擔保合約負債	35,279	6,949
		117,121	73,552
Net current assets	流動資產淨值	256,308	300,142
NET ASSETS	資產淨值	324,518	337,636
Capital and reserves	資本及儲備		
Share capital	股本	89,376	89,376
Reserves	儲備	235,142	248,260
	37(b)		
TOTAL EQUITY	權益總額	324,518	337,636

Approved by the Board of Directors on 30 March 2016 and are signed on its behalf by:

經董事會於二零一六年三月三十日批准，並由以下董事代表簽署：

Lee Yuen Fat
李遠發
Director
董事

Wong Cheong Yiu
黃昌耀
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

37. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

37. 財務狀況表及本公司之儲備變動(續)

(b) 本公司之儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總數 HK\$'000 千港元
At 1 January 2014	於二零一四年一月一日	204,338	24	108,311	312,673
Grant of shares under share award scheme	按股份獎勵計劃而授出股份	-	292	-	292
Issue of shares granted under share award scheme	按股份獎勵計劃而發行所授出股份	271	(292)	-	(21)
Issue of shares upon the exercise of share options	因行使購股權而發行之股份	31	-	-	31
Exercise of share options	行使之購股權	10	(10)	-	-
Forfeiture of share options	沒收之購股權	-	(4)	4	-
Profit for the year	年內溢利	-	-	526	526
Dividends paid	已付股息	-	-	(65,241)	(65,241)
At 31 December 2014	於二零一四年十二月三十一日	204,650	10	43,600	248,260
At 1 January 2015	於二零一五年一月一日	204,650	10	43,600	248,260
Profit for the year	年內溢利	-	-	1,182	1,182
Dividends paid	已付股息	-	-	(14,300)	(14,300)
At 31 December 2015	於二零一五年十二月三十一日	204,650	10	30,482	235,142

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

38. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statements of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Merger reserve

The merger reserve represents the aggregate of (i) the nominal value of the shares issued by Ka Fung Metal Manufactory Company Limited on 18 January 2005 in exchange for the business of Ka Fung Metal Manufactory, an unincorporated partnership established in Hong Kong and controlled by Mr. Lee and; (ii) the nominal value of the shares issued by the Company in exchange for the entire shareholdings of Ka Shui (Holdings) Company Limited.

(iii) Capital reserve

The capital reserve represents (a) the amount of minority interests in Ka Fung Metal Manufactory Company Limited and Ka Fung Metal Manufactory acquired by the Group, and (b) the adjustment of non-controlling interest arising from further acquisition of the equity interest up to 79.7% in Topanga Asia and up to 100% in Wuhu Lenka during the year ended 31 December 2015.

38. 儲備

(a) 本集團

本集團的儲備款項及相關變動均於綜合損益及其他全面收益表及綜合權益變動表呈列。

(b) 儲備之性質及目的

(i) 股份溢價

股份溢價乃指因按高於每股面值的價格發行股份而產生的溢價。根據開曼群島公司法，本公司的股份溢價賬的資金乃可分派予本公司的股東，惟緊隨股息建議分派之日後，本公司須有能力償還於日常業務過程中到期的債務。

(ii) 合併儲備

合併儲備指以下兩項的總和：(i)嘉豐金屬製品廠有限公司於二零零五年一月十八日為換取嘉豐金屬製品廠(一間非按公司法註冊成立的合夥公司，在香港成立，並由李先生控制)之業務而發行的股份面值；及(ii)本公司為換取嘉瑞集團有限公司的全部股權而發行的股份面值。

(iii) 資本儲備

資本儲備指(a)本集團收購嘉豐金屬製品廠有限公司及嘉豐金屬製品廠少數股東權益的款額，及(b)於截至二零一五年十二月三十一日止年度因進一步收購勁亮嘉至79.7%及蕪湖聯嘉至100%股權而產生之非控股權益調整。

38. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(iv) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(c)(iii) to the consolidated financial statements.

(v) Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4(r) to the consolidated financial statements.

(vi) Statutory reserve

The statutory reserve comprises the PRC statutory reserve fund which is non-distributable.

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the statutory reserve fund reaches 50% of their registered capital. The statutory surplus reserve fund can be used to make up prior year losses or applied in conversion into capital.

(vii) Land revaluation reserve

The land revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for leasehold land in note 4(d) to the consolidated financial statements.

38. 儲備(續)

(b) 儲備之性質及目的(續)

(iv) 匯兌儲備

匯兌儲備包括來自換算海外業務財務報表時產生的所有匯兌差額。該等儲備根據綜合財務報表附註4(c)(iii)所示會計政策處理。

(v) 購股權儲備

購股權儲備指根據綜合財務報表附註4(r)所載按股權結算以股份支付的款項而採納的會計政策確認的授予本集團僱員的未行使購股權的實際或估計數目的公平值。

(vi) 法定儲備

法定儲備包括不可分派的中國法定儲備基金。

中國規管外商投資企業的相關法律及條例規定，本公司的中國附屬公司須根據中國會計法例及條例計算的除稅後溢利10%轉撥至法定儲備基金，直至累計法定儲備基金總額達到註冊資本的50%為止。法定盈餘儲備基金可用來填補過往年度虧損或撥入資本。

(vii) 土地重估儲備

設立土地重估儲備乃根據綜合財務報表附註4(d)所載有關租賃土地而採納之會計政策。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

39. SHARE-BASED PAYMENTS

(a) Share Option Scheme

(i) Share option scheme of the Company

Pursuant to written resolutions of all the shareholders passed on 2 June 2007, a share option scheme (the "Share Option Scheme") was approved. The purpose of the Share Option Scheme is to recognise and acknowledge the contributions that eligible participants had made or may make to the Group. Eligible participants include (i) employees, directors, consultants, professionals, customers, suppliers, agents, partners or advisors of or contractors to the Group or a company in which the Group holds an interest or a subsidiary of such company ("Affiliate"), or (ii) companies beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate. The Share Option Scheme became effective on 2 June 2007 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme or any other schemes involving the grant of options over shares of the Company must not, in aggregate, exceed 30% of the shares of the Company in issue at anytime. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12 month period, is limited to 1% of the shares of the Company in issue at anytime. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting.

39. 以股權結算之款項

(a) 購股權計劃

(i) 本公司購股權計劃

根據本公司全體股東於二零零七年六月二日通過的書面決議案，購股權計劃（「購股權計劃」）已獲採納。購股權計劃目的在於認可或酬謝合資格參與者已經或可能對本集團作出的貢獻。合資格參與者包括(i)本集團或本集團持有權益公司或該公司之附屬公司（「聯屬公司」）的僱員、董事、顧問、專業人士、客戶、供應商、代理商、夥伴或諮詢人或承包商，或(ii)由本集團或聯屬公司的任何董事、僱員、顧問、專業人士、客戶、供應商、代理商、夥伴、諮詢人或承包商實益擁有的公司。購股權計劃於二零零七年六月二日起生效，除非另行註銷或修訂，購股權計劃將自該日起十年內有效。

因行使所有根據購股權計劃或任何其他涉及授出本公司股份期權的計劃已授出而尚未行使購股權而可發行的最高股份數目，合共不得超過本公司不時已發行股份30%。根據購股權計劃，於任何十二個月期間，可發行予該購股權計劃各合資格參與者的最高股份數目上限為本公司不時已發行股份的1%。進一步授出超過該上限的購股權須獲股東於股東大會上批准。

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

(i) Share option scheme of the Company (Continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options shall remain open for acceptance by the eligible participant concerned for a period of not less than three business days from the date of offer, except for any offer which is made within the last three business days of the life of this scheme, the offer shall remain open for acceptance on a business day by the eligible participant concerned for a period of not longer than the remaining life of this scheme. An offer cannot be accepted by an eligible participant who ceases to qualify as an eligible participant after the offer has been made. No offer shall be capable of or open for acceptance after the expiry of 10 years for the effective date of this scheme.

The offer of a grant of share options may be accepted upon payment of a nominal consideration of HK\$10 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period as determined by directors at each grant and ends on a date which is not later than ten years from the date of the offer of the share options.

39. 以股權結算之款項(續)

(a) 購股權計劃(續)

(i) 本公司購股權計劃(續)

向本公司董事、行政總裁或主要股東或彼等各自的任何聯繫人士授出購股權，須待獨立非執行董事事先批准後方可進行。此外，於任何十二個月期間內向本公司主要股東或獨立非執行董事或彼等的任何聯繫人士授予的任何購股權，倘超過本公司不時已發行股份的0.1%或總值(按授出日期本公司股份收市價計算)超過5,000,000港元者，須待股東於股東大會上批准後方可進行。

授出購股權的邀約須於邀約日期起計不少於三個營業日的期限內可供合資格參與者接納，惟於該計劃年期的最後三個營業日內作出的任何邀約除外，邀約須於不超過該計劃餘下年期期限內可供合資格參與者於任何營業日接納。作出邀約後，不再為合資格參與者的參與者不得接納該項邀約。於該計劃生效日期10年屆滿後，不得提出邀約，亦不可供接納邀約。

承授人支付合共10港元的象徵式代價後，授出購股權的邀約便屬獲得接納。獲授購股權的行使期由董事釐定，並由董事於各授出日期釐定的若干歸屬期後開始，而屆滿日期不得遲於提出購股權邀約日期起計10年。

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綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

(i) Share option scheme of the Company (Continued)

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

Details of the specific categories of options are as follows:

39. 以股權結算之款項(續)

(a) 購股權計劃(續)

(i) 本公司購股權計劃(續)

購股權的行使價由董事釐定，且不得低於(i)提出購股權邀約之日本公司股份在聯交所的收市價；(ii)緊接邀約日期前五個營業日本公司股份在聯交所的平均收市價；及(iii)本公司股份於邀約日期的面值(以較高者為準)。

購股權持有人無權獲派股息或於股東大會上投票。

購股權的具體類別詳情如下：

Category of grantee 承授人類別	Date of grant 授出日期	Vesting date 歸屬日期	Exercise period 行使期	Fair value at grant date 於授出日期之公平值	Exercise price 行使價	Number of share options outstanding 尚餘購股權數目	
						2015 二零一五年	2014 二零一四年
				HK\$ 港元	HK\$ 港元		
Junior staff 初級職員	13 March 2008 二零零八年三月十三日	13 March 2009 二零零九年三月十三日	13 March 2009 to 12 March 2018 二零零九年三月十三日至二零一八年三月十二日	0.11	0.415	40,800	40,800
Junior staff 初級職員	13 March 2008 二零零八年三月十三日	13 March 2010 二零一零年三月十三日	13 March 2010 to 12 March 2018 二零一零年三月十三日至二零一八年三月十二日	0.12	0.415	20,600	20,600
Junior staff 初級職員	13 March 2008 二零零八年三月十三日	13 March 2011 二零一一年三月十三日	13 March 2011 to 12 March 2018 二零一一年三月十三日至二零一八年三月十二日	0.12	0.415	40,600	40,600

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綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

(i) Share option scheme of the Company (Continued)

The fair values of the options were determined at the dates of grant using the Black-Scholes option pricing model.

The following assumptions were used to calculate the fair values of shares options:

Share price	HK\$0.400
Exercise price	HK\$0.415
Expected life	3.5-6.5 years
Expected volatility	55.42%
Dividend yield	5.25%
Risk-free interest rate	2.005%-2.176%

Expected volatility was determined by calculating the historical volatility of share prices of comparable companies with shares listed on the Stock Exchange and engaged in the similar business of the Group. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

39. 以股權結算之款項(續)

(a) 購股權計劃(續)

(i) 本公司購股權計劃(續)

購股權的公平值於授出日期使用柏力克-舒爾斯期權定價模式釐定。

下列假設已用於計算購股權的公平值：

股價	0.400港元
行使價	0.415港元
預計年期	3.5-6.5年
預計波幅	55.42%
股息回報率	5.25%
無風險利率	2.005%- 2.176%

預計波幅乃透過計算股份於聯交所上市且所從事業務與本集團類似的可比較公司的股價的過往波幅釐定。就非轉讓性、行使限制及行為考慮而言，使用該模式的預計年期已根據本集團的最佳估計作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

(i) Share option scheme of the Company (Continued)

Details of the share option movements during the year and share options outstanding at the end of the year under the Share Option Scheme are as follows:

		2015 二零一五年		2014 二零一四年	
		Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元
Outstanding at the beginning of the year	年初未行使	102,000	0.415	242,000	0.415
Forfeited during the year	年內沒收	-	0.415	(42,000)	0.415
Exercised during the year	年內行使	-	0.415	(98,000)	0.415
Outstanding at the end of the year	年終未行使	102,000	0.415	102,000	0.415
Exercisable at the end of the year	年終可行使	102,000	0.415	102,000	0.415

No (2014: 98,000) share options were exercised during the year. The options outstanding at the end of the year have a weighted average remaining contractual life of 2.3 years (2014: 3.3 years) and the exercise price of HK\$0.415 (2014: HK\$0.415).

Save as disclosed above, no further options were granted under the Share Option Scheme.

39. 以股權結算之款項(續)

(a) 購股權計劃(續)

(i) 本公司購股權計劃(續)

於年內購股權之變動及於年末尚未行使購股權之詳情如下：

年內無購股權獲行使(二零一四年：98,000)。年終未行使購股權的加權平均剩餘合約年期為2.3年(二零一四年：3.3年)，及行使價為0.415港元(二零一四年：0.415港元)。

除上文所披露者外，概無根據購股權計劃授出任何其他購股權。

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

(ii) Share option scheme of a subsidiary

A subsidiary of the Company, Topanga Asia, operates a share option plan (the "Share Option Plan") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of its operations. Eligible participants include the full-time employees of Topanga Asia or any of its subsidiaries (including directors of Topanga Asia or its subsidiaries) or any other persons who devote substantially all of their time and efforts to the business, management and operation of Topanga Asia and/or any subsidiary, as determined by the board of Topanga Asia. The Share Option Plan became effective on and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Plan is 70,000 shares of Topanga Asia, subject to the adjustment in such manner as the auditors shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of Topanga Asia in accordance with section 8 of the Share Option Plan, whether by way of capitalisation of profits or reserves, rights issue, consolidation, reclassification, reconstruction, subdivision or reduction of the share capital of Topanga Asia.

The offer of a grant of share options may be accepted within 15 days from the date of the offer, upon payment of a nominal consideration of US\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the Share Option Plan, if earlier.

The exercise price of the share options is determinable by the directors in its absolute discretion.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

39. 以股權結算之款項(續)

(a) 購股權計劃(續)

(ii) 附屬公司購股權計劃

本公司之附屬公司勁亮嘉經營一購股權計劃(「購股權計劃」)，旨在向為本集團之成功作出貢獻的合資格參加者提供獎賞及獎勵。合資格參加者包括勁亮嘉及其任何附屬公司之全職員工(包括勁亮嘉及其任何附屬公司之董事)或為勁亮嘉及其任何附屬公司之業務、管理及營運貢獻其大部份時間及能力的任何其他人士。除非另行終止或修訂，購股權計劃將由該日期起十年期間生效及有效。

現時，根據購股權計劃准許授出而尚未行使的購股權之最高數目為70,000股勁亮嘉股份，根據購股權計劃第八章，倘勁亮嘉的資本結構出現任何變動，不論以溢利或儲備資本化、供股、合併、重新分類、資本重組、或細分或減少勁亮嘉股本之形式，此數目可調整至核數師證實為適當、公平及合理的數目。

購股權須於授出日期的十五天內，由承授人繳付面值為1美元之總代價作實。已授出購股權之行使期由董事決定，並於若干歸屬期後開始，於購股權授出日期後十年內之日期或購股權計劃到期日之較早者完結。

購股權之行使價由董事全權決定。

購股權並不授予其持有人收取股息或於股東大會中投票之權利。

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綜合財務報表附註(續)

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39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

(ii) Share option scheme of a subsidiary (Continued)

Details of the specific categories of options are as follows:

39. 以股權結算之款項(續)

(a) 購股權計劃(續)

(ii) 附屬公司購股權計劃(續)

於年內授出之購股權的具體類別如下：

	Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price 行使價 US\$ 美元	No. of share options outstanding 尚餘購股權數目	
					2015 二零一五年	2014 二零一四年
Lot 1 第一批	16/6/2014	16/6/2014 to 5/9/2014	6/9/2014 to 16/6/2024	9.1375	275	12,700
Lot 2 第二批	16/6/2014	16/6/2014 to 5/10/2014	6/10/2014 to 16/6/2024	9.1375	22	1,053
Lot 3 第三批	16/6/2014	16/6/2014 to 5/11/2014	6/11/2014 to 16/6/2024	9.1375	23	1,059
Lot 4 第四批	16/6/2014	16/6/2014 to 5/12/2014	6/12/2014 to 16/6/2024	9.1375	23	1,059
Lot 5 第五批	16/6/2014	16/6/2014 to 5/1/2015	6/1/2015 to 16/6/2024	9.1375	23	1,059
Lot 6 第六批	16/6/2014	16/6/2014 to 5/2/2015	6/2/2015 to 16/6/2024	9.1375	23	1,058
Lot 7 第七批	16/6/2014	16/6/2014 to 5/3/2015	6/3/2015 to 16/6/2024	9.1375	23	1,061
Lot 8 第八批	16/6/2014	16/6/2014 to 5/4/2015	6/4/2015 to 16/6/2024	9.1375	22	1,678
Lot 9 第九批	16/6/2014	16/6/2014 to 5/5/2015	6/5/2015 to 16/6/2024	9.1375	23	1,112
Lot 10 第十批	16/6/2014	16/6/2014 to 5/6/2015	6/6/2015 to 16/6/2024	9.1375	23	1,110
Lot 11 第十一批	16/6/2014	16/6/2014 to 5/7/2015	6/7/2015 to 16/6/2024	9.1375	23	1,112
Lot 12 第十二批	16/6/2014	16/6/2014 to 5/8/2015	6/8/2015 to 16/6/2024	9.1375	23	1,109
Lot 13 第十三批	16/6/2014	16/6/2014 to 5/9/2015	6/9/2015 to 16/6/2024	9.1375	24	1,115
Lot 14 第十四批	16/6/2014	16/6/2014 to 5/10/2015	6/10/2015 to 16/6/2024	9.1375	22	1,105
Lot 15 第十五批	16/6/2014	16/6/2014 to 5/11/2015	6/11/2015 to 16/6/2024	9.1375	23	1,111
Lot 16 第十六批	16/6/2014	16/6/2014 to 5/12/2015	6/12/2015 to 16/6/2024	9.1375	23	1,111

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綜合財務報表附註(續)

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39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

(ii) Share option scheme of a subsidiary (Continued)

Details of the specific categories of options are as follows (Continued):

39. 以股權結算之款項(續)

(a) 購股權計劃(續)

(ii) 附屬公司購股權計劃(續)

於年內授出之購股權的具體類別如下(續):

	Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price 行使價 US\$ 美元	No. of share options outstanding	
					2015 二零一五年	2014 二零一四年
Lot 17 第17批	16/6/2014	16/6/2014 to 5/1/2016	6/1/2016 to 16/6/2024	9.1375	23	1,111
Lot 18 第18批	16/6/2014	16/6/2014 to 5/2/2016	6/2/2016 to 16/6/2024	9.1375	23	1,110
Lot 19 第19批	16/6/2014	16/6/2014 to 5/3/2016	6/3/2016 to 16/6/2024	9.1375	23	1,113
Lot 20 第20批	16/6/2014	16/6/2014 to 5/4/2016	6/4/2016 to 16/6/2024	9.1375	22	1,106
Lot 21 第21批	16/6/2014	16/6/2014 to 5/5/2016	6/5/2016 to 16/6/2024	9.1375	23	1,112
Lot 22 第22批	16/6/2014	16/6/2014 to 5/6/2016	6/6/2016 to 16/6/2024	9.1375	23	1,110
Lot 23 第23批	16/6/2014	16/6/2014 to 5/7/2016	6/7/2016 to 16/6/2024	9.1375	23	1,112
Lot 24 第24批	16/6/2014	16/6/2014 to 5/8/2016	6/8/2016 to 16/6/2024	9.1375	23	1,109
Lot 25 第25批	16/6/2014	16/6/2014 to 5/9/2016	6/9/2016 to 16/6/2024	9.1375	24	1,115
Lot 26 第26批	16/6/2014	16/6/2014 to 5/10/2016	6/10/2016 to 16/6/2024	9.1375	22	1,105
Lot 27 第27批	16/6/2014	16/6/2014 to 5/11/2016	6/11/2016 to 16/6/2024	9.1375	23	1,111
Lot 28 第28批	16/6/2014	16/6/2014 to 5/12/2016	6/12/2016 to 16/6/2024	9.1375	23	1,111
Lot 29 第29批	16/6/2014	16/6/2014 to 5/1/2017	6/1/2017 to 16/6/2024	9.1375	23	1,111
Lot 30 第30批	16/6/2014	16/6/2014 to 5/2/2017	6/2/2017 to 16/6/2024	9.1375	23	1,110
Lot 31 第31批	16/6/2014	16/6/2014 to 5/3/2017	6/3/2017 to 16/6/2024	9.1375	23	1,113
Lot 32 第32批	16/6/2014	16/6/2014 to 5/4/2017	6/4/2017 to 16/6/2024	9.1375	22	1,106

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

(ii) Share option scheme of a subsidiary (Continued)

Details of the specific categories of options are as follows (Continued):

	Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price 行使價 US\$ 美元	No. of share options outstanding 尚餘購股權數目	
					2015 二零一五年	2014 二零一四年
Lot 33 第33批	16/6/2014	16/6/2014 to 5/5/2017	6/5/2017 to 16/6/2024	9.1375	23	1,112
Lot 34 第34批	16/6/2014	16/6/2014 to 5/6/2017	6/6/2017 to 16/6/2024	9.1375	23	1,110
Lot 35 第35批	16/6/2014	16/6/2014 to 5/7/2017	6/7/2017 to 16/6/2024	9.1375	23	1,112
Lot 36 第36批	16/6/2014	16/6/2014 to 5/8/2017	6/8/2017 to 16/6/2024	9.1375	23	1,109
Lot 37 第37批	16/6/2014	16/6/2014 to 5/9/2017	6/9/2017 to 16/6/2024	9.1375	24	1,115
Lot 38 第38批	16/6/2014	16/6/2014 to 5/10/2017	6/10/2017 to 16/6/2024	9.1375	-	52
Lot 39 第39批	16/6/2014	16/6/2014 to 5/11/2017	6/11/2017 to 16/6/2024	9.1375	-	52
Lot 40 第40批	16/6/2014	16/6/2014 to 5/12/2017	6/12/2017 to 16/6/2024	9.1375	-	52
Lot 41 第41批	16/6/2014	16/6/2014 to 5/1/2018	6/1/2018 to 16/6/2024	9.1375	-	52
Lot 42 第42批	16/6/2014	16/6/2014 to 5/2/2018	6/2/2018 to 16/6/2024	9.1375	-	52
Lot 43 第43批	16/6/2014	16/6/2014 to 5/3/2018	6/3/2018 to 16/6/2024	9.1375	-	52
Lot 44 第44批	16/6/2014	16/6/2014 to 5/4/2018	6/4/2018 to 16/6/2024	9.1375	-	53

Options are forfeited if the employee leaves Topanga Asia and its subsidiaries.

The change in number of share options outstanding is due to lapse of share options during the year.

39. 以股權結算之款項(續)

(a) 購股權計劃(續)

(ii) 附屬公司購股權計劃(續)

於年內授出之購股權的具體類別如下(續):

若僱員離開勁亮嘉及其附屬公司，其購股權將予沒收。

未行使購股權數目之變動乃因為年內有購股權失效所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

(ii) Share option scheme of a subsidiary (Continued)

Details of the share option movements during the year and share options outstanding at the end of the year are as follows:

		2015 二零一五年		2014 二零一四年	
		Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 US\$ 美元	Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 US\$ 美元
Outstanding at the beginning of the year	於年初尚未行使	53,300	9.1375	-	9.1375
Granted during the year	年內授出	-	9.1375	53,400	9.1375
Forfeited during the year	年內沒收	52,200	9.1375	(100)	9.1375
Outstanding at the end of the year	於年底尚未行使	1,100	9.1375	53,300	9.1375
Exercisable at the end of the year	於年底可予行使	618	9.1375	15,871	9.1375

The options outstanding at the end of the year have a weighted average remaining contractual life of 8.5 years (2014: 9.5 years) and the exercise price of US\$9.1375 (2014: US\$9.1375). In 2014, options were granted on 16 June 2014. The estimated fair value of the options on this date is US\$249,785 (approximately HK\$1,936,000).

於年底尚未行使之購股權之加權平均尚餘合約年期為8.5年(二零一四年: 9.5年), 行使價為9.1375美元(二零一四年: 9.1375美元)。於二零一四年, 購股權於二零一四年六月十六日授出, 估計購股權於當日之公平值為249,785美元(約1,936,000港元)。

39. 以股權結算之款項(續)

(a) 購股權計劃(續)

(ii) 附屬公司購股權計劃(續)

於年內購股權之變動及於年末尚未行使之購股權之詳情如下:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

(ii) Share option scheme of a subsidiary (Continued)

These fair values were calculated using the binomial option pricing model. The inputs into the model are as follows:

Weighted average share price	US\$8.85
Weighted average exercise price	US\$9.1375
Expected volatility	65.72%
Expected life	10 years
Risk free rate	2.06%
Expected dividend yield	0.00%
Forfeiture rate	0.00%

Expected volatility was determined by calculating the average of industry annualised historical stock price volatility. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

(b) Share Award Scheme

The Company adopted a share award scheme (the "Share Award Scheme") on 10 January 2013 ("Adoption Date") for a period of 10 years. The purpose and objective of the Share Award Scheme are to recognise the contributions by certain employees and persons of the Group and to provide them with incentives in order to retain them for the continued operation and development of the Group and to attract suitable personnel for further development of the Group. The Company has set up a Share Award Scheme Trust. Pursuant to the Share Award Scheme, new awarded shares may be allotted and issued to the independent trustee under general mandates granted or to be granted by the shareholders at general meetings of the Company from time to time and be held in trust for relevant participants until such shares are vested with the relevant participants in accordance with the provisions of the Share Award Scheme.

39. 以股權結算之款項(續)

(a) 購股權計劃(續)

(ii) 附屬公司購股權計劃(續)

其公平值乃使用二項式定價模式計算。代入該模式之輸入數據如下：

加權平均股價	8.85美元
加權平均行使價	9.1375美元
預計波幅	65.72%
預計年期	10年
無風險利率	2.06%
預計股息回報率	0.00%
沒收比率	0.00%

預計波幅乃透過計算行業年率化歷史股價波幅平均值而釐定。就非轉讓性、行使限制及行為考慮而言，使用該模式的預計年期已根據本集團的最佳估計作出調整。

(b) 股份獎勵計劃

本公司於二零一三年一月十日(「採納日期」)採納股份獎勵計劃(「股份獎勵計劃」)，為期十年。股份獎勵計劃之目的及目標在表彰本集團若干僱員及人士之貢獻，並給予獎勵以挽留該等僱員及人士為本集團之持續經營和發展而努力，亦為本集團進一步發展吸引合適之人才。本公司已設立一個股份獎勵計劃信託。根據股份獎勵計劃，可根據股東於本公司之股東大會上已授出或不時授出之一般授權向行政管理委員會或獨立受託人配發及發行新獎勵股份，並以信託形式代有關參與者持有，直至有關股份根據股份獎勵計劃的條文歸屬於有關參與者為止。

39. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme (Continued)

Subject to any early termination as may be determined by the Board of the Company, the Share Award Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date.

The maximum number of shares awarded under the Share Award Scheme shall not exceed 5% of the issued share capital of the Company as at the Adoption Date.

The maximum number of shares which may be awarded to a selected person under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company as at the Adoption Date.

On 28 April 2014, the Company granted 210,000 shares to an eligible participant pursuant to the Share Award Scheme. The shares were vested immediately. The Company has recognised a share-based payment of HK\$292,000 and credited the share capital and share premium of approximately HK\$21,000 and HK\$271,000 respectively, representing the fair value of the shares awarded. The fair values of the awarded shares were measured by reference to the closing market price of the shares at grant date.

39. 以股權結算之款項(續)

(b) 股份獎勵計劃(續)

在董事會可決定提早終止的規限下，股份獎勵計劃將由採納日期起十年期間有效及生效。

根據股份獎勵計劃授出的股份最高數目不得超過於採納日期本公司已發行股本的5%。

根據股份獎勵計劃向一名經甄選人士可能授出的股份最高數目不得超過於採納日期本公司已發行股本的1%。

於二零一四年四月二十八日，本公司已根據股份獎勵計劃向一名合資格參加者授出210,000股股份。該等股份已即時歸屬。本公司已確認一項以股份結算之款項292,000港元，並將約21,000港元及約271,000港元分別計入股本及股份溢價，相當於獎勵股份之公平值。獎勵股份之公平值參考股份於授出日期之收市價計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash flows from operating activities

40. 綜合現金流量表附註

(a) 經營業務之現金流量

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
(Loss)/Profit from operations	經營(虧損)/溢利	(62,964)	99,326
Adjustments for:	已作出下列調整:		
Interest income	利息收入	(2,194)	(2,097)
Share-based payment expenses	以股權結算之款項支出	111	1,315
Reversal of allowance for doubtful debts	呆賬撥備回撥	(358)	(282)
Allowance for doubtful debts	呆賬撥備	-	411
Bad debt written off (net of bad debt recovery)	壞賬撇銷(扣除壞賬收回)	14	235
Write off of inventories	存貨撇銷	-	3,327
Allowance for inventories	存貨撥備	6,147	130
Impairment loss on goodwill	商譽減值	-	1,630
Gain on a bargain purchase	議價收購收益	(9,546)	-
Net loss on financial assets/liabilities at fair value through profit or loss	按公平值計入損益的金融資產/負債之淨虧損	71,646	8,286
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	267	61
Property, plant and equipment written off	物業、機器及設備撇銷	3,888	894
Property, plant and equipment written back	物業、機器及設備回撥	(1,000)	(3,137)
Impairment on property, plant and equipment	物業、機器及設備減值	4,750	-
Depreciation on property, plant and equipment	物業、機器及設備折舊	84,562	78,022
Impairment on intangible assets	無形資產減值	11,206	-
Amortisation of intangible assets	無形資產攤銷	2,402	2,402
Operating profit before movements in working capital	未計營運資金變動前的經營溢利	108,931	190,523
Decrease/(Increase) in inventories	存貨減少/(增加)	22,848	(61,483)
Decrease in restricted bank balance	有限制銀行存款減少	-	420
Decrease/(Increase) in trade receivables	貿易應收款項減少/(增加)	59,779	(17,433)
Decrease/(Increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	22,077	(9,586)
(Decrease)/Increase in trade payables	應付貿易款項(減少)/增加	(53,676)	52,850
(Decrease)/Increase in deposits received, other payables and accruals	已收按金、其他應付款項及應計費用(減少)/增加	(2,032)	8,290
Increase/(Decrease) in amount due to a related company	應付關連公司款項增加/(減少)	996	(877)
Proceeds from financial assets at fair value through profit or loss	按公平值計入損益賬的金融資產之款項所得	6,595	57,595
Payment for financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債之支出	(15,011)	(9,607)
Cash generated from operations	經營所得現金	150,507	210,692
Income tax paid	已付所得稅	(25,360)	(20,735)
Interest paid	已付利息	(16,480)	(13,245)
Finance lease charges paid	已付融資租約支出	-	(22)
Net cash generated from operating activities	經營業務所得現金淨額	108,667	176,690

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40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of subsidiaries

On 14 May 2015, the Group acquired 100% of the issued share capital of Goodly. Goodly is an investment holding company and its subsidiary, Goodly Suzhou, was engaged in research, manufacture and sale of plastic injection molding and components of car-related products during the period.

According to the share purchase agreement dated 14 May 2015 between the Group and the then shareholder of Goodly, the consideration of the acquisition of Goodly was settled by way of (a) cash consideration of HK\$10,000,000; (b) contingent consideration ("Contingent Consideration") comprising a cash consideration of maximum up to HK\$1,200,000 and a share consideration of maximum of 300 ordinary shares of Katchon. The final amount of Contingent Consideration depends on the consolidated total comprehensive income of Goodly for the year ended 31 December 2015. The fair value of the Contingent Consideration at acquisition date was measured by reference to the expected total comprehensive income of Goodly which had been discounted by applicable discount rates. The acquisition is for the purpose of expanding the Group's automotive components products portfolio and customer base with a view to enhance its revenue and profitability in the forthcoming future.

40. 綜合現金流量表附註(續)

(b) 收購業務

於二零一五年五月十四日，本集團收購卓研已發行股本的100%權益。卓研為一家投資控股公司，期內，其附屬公司卓研蘇州乃從事研究、生產和銷售塑膠注塑產品及汽車相關產品的零件。

根據二零一五年五月十四日本集團與當時卓研股東之間的購股協議，收購卓研的代價按以下方式支付(a)現金代價10,000,000港元；(b)或然代價(「或然代價」)，包括最高1,200,000港元的現金代價及嘉昌最多300股普通股的股份代價。或然代價之最終金額取決於卓研截至二零一五年十二月三十一日的綜合年內全面收益總額。於收購日之或然代價的公平值是以適當的貼現率折現卓研的預期全面收益總額計量出來。進行收購的目的是擴展本集團汽車零部件之產品組合及客戶基礎，繼而在未來提昇其收入及盈利能力。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of business (Continued)

The fair value of the identifiable assets and liabilities of Goodly and its subsidiary acquired as at its date of acquisition is as follows:

Net assets acquired:		HK\$'000
所收購的資產淨值：		千港元
Property, plant and equipment	物業、機器及設備	15,497
Inventories	存貨	4,936
Trade and other receivables	貿易及其他應收款項	14,744
Current tax assets	即期稅項資產	242
Bank and cash balances	銀行及現金結餘	3,772
Deferred tax asset	遞延稅項資產	538
Trade and other payables	貿易及其他應付款項	(10,193)
Bank borrowings	銀行借貸	(3,126)
Financial liabilities at fair value through profit or loss	按公平值計入損益賬之金融負債	(114)
Total net identifiable assets		26,296
Gain on a bargain purchase		(9,546)
		16,750
Satisfied by:		以下列方式支付：
Cash	現金	10,000
Contingent consideration payable	應付或然代價	6,750
		16,750
Net cash outflow arising on acquisition:		收購產生的現金流出淨額：
Cash consideration paid	已付現金代價	(10,000)
Cash and cash equivalents acquired	所收購現金及等同現金項目	3,772
		(6,228)

The Group has recognised a gain on a bargain purchase of approximately HK\$9,546,000 which is mainly attributable to the immediate cash realisation opportunity offered to the vendor.

40. 綜合現金流量表附註(續)

(b) 收購業務(續)

於收購日期，所收購卓研及其附屬公司的可識別資產及負債的公平值載列如下：

本集團已確認議價購買收益約9,546,000港元，乃主要因提供予賣方之直接變現機會所致。

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of business (Continued)

The receivables acquired (which principally comprised trade receivables) in this transaction with a fair value of approximately HK\$14,744,000 had gross contractual amounts of approximately HK\$14,744,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected is nil.

At the date of acquisition, the fair value of the contingent consideration of approximately HK\$6,750,000 was the sum of the additional cash consideration of HK\$988,000, and the estimated fair value of the additional shares to be issued by Katchon. The fair value of shares of Katchon was estimated applying the income approach. The fair value estimates are based on an assumed discount rate of 21.33%.

For the year ended 31 December 2015, the consolidated total comprehensive income of Goodly has met the target requirement as stipulated in the share purchase agreement. As a result, the former shareholder of Goodly is entitled to the maximum amount of cash consideration and share consideration. The Group's final shareholding in Goodly will be reduced to 70% after the issue of Katchon's shares to the former shareholder of Goodly. Therefore, the contingent consideration payable as at 31 December 2015 was adjusted accordingly.

Acquisition-related costs amounting to approximately HK\$450,000 have been excluded from the consideration transferred and have been recognised as expenses in the year, within the "other operating expenses and income" line item in the consolidated statement of profit or loss.

Goodly and its subsidiary contributed approximately HK\$25,675,000 and HK\$3,495,000 to the Group's revenue and profit for the year ended 31 December 2015 respectively for the period between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1 January 2015, total Group revenue for the year ended 31 December 2015 would have been approximately HK\$1,559,151,000, and loss for the year ended 31 December 2015 would have been approximately HK\$74,682,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2015, nor is intended to be a projection of future results.

(c) Major non-cash transaction

Included in the additions of property, plant and equipment was an amount of approximately HK\$3,538,000 (2014: HK\$11,159,000) which was transferred from deposits paid for acquisition of property, plant and equipment.

40. 綜合現金流量表附註(續)

(b) 收購業務(續)

於是項交易中收購之應收款項(主要包括貿易應收款項)公平值約為14,744,000港元,其合約總金額約為14,744,000港元。預計不可收回之合約現金流量於收購日期的最佳估計金額為零。

於收購日,或然代價約6,750,000港元的公平值為額外現金代價988,000港元與嘉昌擬發行額外股份之估計公平值的總和。嘉昌股份的公平值乃以收益法估算。公平值估計乃基於假定貼現率21.33%計算。

於二零一五年十二月三十一日止年度,卓研之綜合全面收益已符合股份購買協議之目標條件。因此,卓研之前股東可享有現金代價及股份代價之最高金額。於發行嘉昌之股份予卓研之前股東後,本集團最終在卓研之股權將會降至70%。所以,於二零一五年十二月三十一日之應付或然代價亦相應地調整。

收購相關成本約450,000港元已從轉讓代價中扣除,並已於年內在綜合損益表的「其他經營開支及收入」項下確認為開支。

於收購日期至報告期末期間,卓研及其附屬公司為本集團截至二零一五年十二月三十一日止年度之收入及溢利分別貢獻約25,675,000港元及3,495,000港元。

倘收購於二零一五年一月一日經已完成,本集團於截至二零一五年十二月三十一日止年度的總收入將約為1,559,151,000港元,而截至二零一五年十二月三十一日止年度的虧損將約為74,682,000港元。備考資料僅供說明用途,未必為收購於二零一五年一月一日完成時本集團實際所得收入及經營業績的指標,亦不擬作未來業績的預測。

(c) 主要非現金交易

計入添置物業、機器及設備約為3,538,000港元(二零一四年:11,159,000港元),乃由預付購買物業、機器及設備的按金所轉入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

41. OPERATING LEASE COMMITMENTS

The Group as lessor

The Group leases its property under operating lease arrangements, with leases negotiated for a term of one year. The terms of the leases generally provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2015, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Within one year	一年內	49	-

The Group as lessee

At 31 December 2015, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Within one year	一年內	6,439	5,811
In the second to fifth year, inclusive	第二年至第五年(包括首尾兩年)	7,441	11,397
After five years	五年後	39,310	41,460
		53,190	58,668

Operating lease payments represent rentals payable by the Group for certain of its staff quarters, factory and office premises, office equipment, warehouses and factory premises. Leases for staff quarters, factory and office premises, office equipment and warehouses except one are negotiated, and rentals are fixed, for an average term of 1 to 5 years. Lease for factory premises are fixed with a term of 34 years.

Lease arrangement of one warehouse (2014: one) has been subject to contingent rent by reference to monthly usage throughout the lease period.

41. 經營租約承擔

本集團作為出租人

本集團按經營租約安排出租其物業，租期為1年。租約提供一般以現行市場情況作定期租金調整之條款。

於二零一五年十二月三十一日，本集團根據不可撤銷經營租約而於下列期間到期的應收未來最低租賃款總額如下：

本集團作為承租人

於二零一五年十二月三十一日，本集團根據不可撤銷經營租約的應付未來最低租賃款總額如下：

經營租約付款指本集團須就若干員工宿舍、工廠及辦公室物業、辦公室設備、貨倉及工廠物業支付的租金。員工宿舍、工廠及辦公室物業、辦公室設備及貨倉的租約(一項租約除外)經協商而訂立，租金為固定而租期平均為一至五年。工廠物業的租約協定的年期為三十四年。

一間(二零一四年：一間)倉庫的租賃安排為參考租賃期間內的每月使用情況支付或然租金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

41. OPERATING LEASE COMMITMENTS (Continued)

The Group as lessee (Continued)

The lease payments recognised as an expenses are as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Minimum lease payments	最低租賃款項	11,175	8,067
Contingent rent	或然租金	37	10
		11,212	8,077

41. 經營租約承擔(續)

本集團作為承租人(續)

租賃款項確認為支出，如下所示：

42. CAPITAL COMMITMENTS

The Group's capital commitments in respect of purchase and construction of property, plant and equipment at the end of the reporting period are as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Acquisition of property, plant and equipment	收購物業、機器及設備	28,718	40,171

42. 資本承擔

於報告期間完結日，本集團有關購買及建造物業、機器及設備的資本承擔詳情如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2015 截至二零一五年十二月三十一日

43. RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

43. 關連人士交易

- (a) 除於綜合財務報表其他部份所披露的關連人士交易及結餘外，年內本集團曾與關連人士進行以下交易：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Purchase of machinery and machinery parts from and maintenance cost to a related company, Chit Shun Machinery Limited (note (i))	向關連公司捷迅機械設備有限公司購買機器、機器零部件及維修成本 (附註(i))	7,594	13,714
Sales of plasma lighting products to a related company, Chit Shun Machinery Limited (note (i))	向關連公司捷迅機械設備有限公司銷售等離子照明產品 (附註(i))	-	146
Amount due to a related company, Chit Shun Machinery Limited (note (i))	應付關連公司捷迅機械設備有限公司金額 (附註(i))	1,895	899
Deposit paid to a related company, Chit Shun Machinery Limited (note (i))	向關連公司捷迅機械設備有限公司支付按金 (附註(i))	87	1,727

Notes:

- (i) Mr. Lee has joint control in the related company.

附註：

- (i) 李先生對此關連公司有共同控制。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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For the year ended 31 December 2015 截至二零一五年十二月三十一日

43. RELATED PARTY TRANSACTIONS (Continued)

- (b) The above transactions were entered with the related parties on terms mutually agreed by individual parties. In the opinion of the directors of the Group, these related party transactions were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.
- (c) During the year, compensation paid by the Group to the key management personnel, which were the directors of the Company, was disclosed in note 16 to the consolidated financial statements.
- (d) The amount due to a director as at 31 December 2014 is disclosed in note 32 to the consolidated financial statements.

44. EVENTS AFTER THE REPORTING PERIOD

As set out in note 29 to the consolidated financial statements, on 5 February 2016, the Group entered into a share purchase agreement, according to which 1,912,069 shares were allotted to the third party and a non-controlling shareholder of Topanga Asia, representing 51.1% of Topanga Asia immediately after the share allotment.

45. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The changes include the grouping of loss on disposal of property, plant and equipment, property, plant and equipment written off and loss on financial assets/liabilities at fair value through profit or loss under "other operating expenses and income" line item.

46. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 30 March 2016.

43. 關連人士交易(續)

- (b) 上述交易均與關連人士按照各方互相協定的條款進行。本集團董事認為，該等關連交易乃根據一般商業條款於本集團日常業務過程中進行。
- (c) 年內，本集團已付主要管理人員(為本公司董事)酬金乃於綜合財務報表附註16披露。
- (d) 於二零一四年十二月三十一日應付董事款項已於綜合財務報表附註32披露。

44. 報告期後事項

誠如綜合財務報表附註29所載，於二零一六年二月五日，本集團訂立一份購股協議，據此向第三方及勁亮嘉的一名非控股股東配發1,912,069股股份，佔股份配發後勁亮嘉的51.1%股權。

45. 比較數字

若干比較數字已重新分類，以符合本年度呈列方式。有關變動包括出售物業、機器及設備之虧損、物業、機器及設備撇銷及「其他經營開支及收入」項下之按公平值計入損益的金融資產／負債之虧損。

46. 批准綜合財務報表

本綜合財務報表已於二零一六年三月三十日獲董事會批准並授權刊發。

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五年財務概要

		Year ended 31 December 截至十二月三十一日止年度				
		2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
RESULTS	業績					
Revenue	收入	1,191,698	1,568,958	1,806,585	1,582,333	1,539,344
(Loss)/Profit before tax	除稅前(虧損)/溢利	82,300	157,230	90,651	86,059	(71,756)
Income tax expense	所得稅開支	(19,480)	(31,336)	(34,539)	(26,707)	(5,410)
(Loss)/Profit for the year	年內(虧損)/溢利	62,820	125,894	56,112	59,352	(77,166)
Attributable to	以下人士應佔權益：					
– Owners of the Company	– 本公司權益持有人	62,820	125,894	60,542	77,246	(63,489)
– Non-controlling interests	– 非控股權益	–	–	(4,430)	(17,894)	(13,677)
		62,820	125,894	56,112	59,352	(77,166)
		As at 31 December 於十二月三十一日				
		2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	1,229,670	1,596,677	1,700,608	1,829,980	1,791,602
Total liabilities	總負債	(505,214)	(780,903)	(847,045)	(980,437)	(1,060,102)
Net assets	淨資產	724,456	815,774	853,563	849,543	731,500



KaShui¹⁹⁸⁰

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